

**MILITARY CONSTRUCTION AND VETERANS  
AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2014**

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**WEDNESDAY, MAY 15, 2013**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Tim Johnson (chairman) presiding.  
Present: Senators Johnson, Udall, Kirk, and Collins.

**DEPARTMENT OF DEFENSE**

**DEPARTMENT OF THE ARMY**

**STATEMENT OF HON. KATHERINE G. HAMMACK, ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS, ENERGY, AND ENVIRONMENT**

**ACCOMPANIED BY:**

**LIEUTENANT GENERAL MICHAEL FERRITER, ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT**

**BRIGADIER GENERAL WALTER E. FOUNTAIN, ACTING DEPUTY DIRECTOR, ARMY NATIONAL GUARD**

**ADDISON D. DAVIS, IV, COMMAND EXECUTIVE OFFICER, ARMY RESERVE COMMAND**

**OPENING STATEMENT OF SENATOR TIM JOHNSON**

Senator JOHNSON. Good morning. I welcome everyone to today's hearing to discuss the President's fiscal year 2014 budget request for Military Construction (MILCON) and Family Housing for the Departments of the Army and the Air Force.

We will have two panels of witnesses today. The first panel representing the Army includes Ms. Katherine Hammack, Assistant Secretary of the Army for Installations. She is accompanied by Lieutenant General Michael Ferriter, Assistant Chief of Staff for Installations Management; Brigadier General Walter Fountain, Deputy Director of the Army National Guard; and Mr. Addison Davis, Army Reserve Command Executive Officer.

We welcome you all to this hearing, and we look forward to your testimony. The Senate has a series of votes this morning, scheduled to begin at 10:30. I do not want to inconvenience our witnesses, so I suggest that we dispense with opening statements and ask our witnesses to limit their opening remarks, so that we can get directly to questions.

Your full statements will be placed in the record.

Senator Kirk, is that acceptable to you?

Senator KIRK. Yes.

Senator JOHNSON. Secretary Hammack, please proceed.

SUMMARY STATEMENT OF HON. KATHERINE G. HAMMACK

Ms. HAMMACK. Thank you very much, Chairman Johnson, Ranking Member Kirk, and members of the subcommittee. On behalf of soldiers, families, and civilians of the United States Army, I want to thank you for the opportunity to present our fiscal year 2014 military construction budget.

For fiscal year 2014, the Army requests \$2.4 billion for Military Construction, Family Housing, and the Army's share of the Department of Defense (DOD) base closure account. This represents a 34-percent reduction from our fiscal year 2013 MILCON request and is equitably distributed among the Active Army, Army National Guard, and Army Reserve.

The \$2.4 billion request includes \$1.6 billion for Military Construction for the Active Army—or, \$1.6 billion for Military Construction for the whole Army. And of that, \$1.12 billion is for the Active Army, \$321 million for the National Guard, and \$174 million for the Army Reserve.

Of the \$2.4 billion, a half billion is for Army family housing and \$180 million is for the base closure account.

As you know, the Army is reducing its end strength and force structure by about 14 percent, or 80,000 soldiers. We are in the process of completing a force structure realignment analysis, which will be released next month, and announce the impacted brigade combat teams.

The resulting force structure reduction to 490,000 in the Active Army will create excess capacity at several installations.

In line with force structure reductions in Europe, the Army is already downsizing our infrastructure there. With a 45-percent reduction in force structure in Europe, the Army is implementing a 51-percent reduction in infrastructure, a 58-percent reduction in civilian staffing, and a 57-percent reduction in base operating costs.

We are working closely with the Office of the Secretary of Defense to examine whether there are additional opportunities for consolidation in Europe through joint or multiservice consolidation.

A future round of base realignment or closure, or BRAC, in the United States is essential to identify and reduce excess Army infrastructure and prudently align our civilian staffing with reduced uniform force structure.

If Army force structure declines but facility overhead and civilian support staff remain constant, our ability to invest in equipment, training, and maintenance will be reduced.

I ask for the subcommittee's continued commitment to our soldiers, families, and civilians in support of the Army's MILCON and installations programs. The Army's fiscal 2014 installation management budget request is a program that supports the Army's needs while recognizing the current fiscal conditions.

The Army fully supports the President's request for authority from Congress to conduct a BRAC round in 2015. The Army's strength is its soldiers, families, and Army civilians who support

them. They are and will continue to be the centerpiece for the Army.

#### PREPARED STATEMENT

Thank you for your attention. I look forward to your questions, as do the other panelists here representing the Active Army, the Army Reserve, and the Army National Guard.

[The statement follows:]

PREPARED STATEMENT OF HON. KATHERINE G. HAMMACK, LIEUTENANT GENERAL MICHAEL FERRITER, BRIGADIER GENERAL WALTER E. FOUNTAIN, AND ADDISON D. DAVIS, IV

#### INTRODUCTION

Chairman Johnson, Ranking Member Kirk, and members of the subcommittee, on behalf of the soldiers, families, and civilians of the United States Army, I want to thank you for the opportunity to present the Army's fiscal year 2014 Military Construction (MILCON) and Family Housing budget request.

The Army's fiscal year 2014 MILCON budget request supports the Chief of Staff of the Army (CSA) priority of developing the force of the future, Army 2020 as part of the Joint Force 2020—a versatile mix of capabilities, formations, and equipment. Within the current fiscal climate, the Army Installation Management Community is focusing its resources to sustain, restore, and modernize facilities to support the CSA's Army Facility Strategy 2020 and Facility Investment Strategy priorities. The Installation Management Community is focused on providing the facilities necessary to enable the world's best trained and ready land force of the future.

We ask for the subcommittee's continued commitment to our soldiers, families, and civilians and support of the Army's MILCON and installations programs. The Army's strength is its soldiers and the families and Army civilians who support them. They are and will continue to be the centerpiece of our Army. America's Army is the strength of the Nation.

#### OVERVIEW

The Army's fiscal year 2014 President's budget requests \$2.35 billion for MILCON, Army Family Housing (AFH), and the Army's share of the Department of Defense Base Closure Account (BCA). The request represents 1.8 percent of the total Army budget and a 34-percent reduction from the fiscal year 2013 request. The \$2.35 billion request includes \$1.12 billion for the Active Army, \$321 million for the Army National Guard, \$174 million for the Army Reserve, \$557 million for AFH, and \$180 million for Base Realignment and Closure (BRAC) to address environmental and caretaker requirements at previously closed BRAC sites. In addition and in support of Army installations and facilities, the President's budget request includes \$1.7 billion for installation energy, \$789 million for environmental programs, \$3.8 billion for Facilities Sustainment/Restoration and Modernization (FSRM), and \$8.9 billion for Base Operations Support (BOS).

The budget request reflects a return to pre-fiscal year 2000 spending levels for the MILCON accounts. From fiscal year 2001 through fiscal year 2011, the MILCON program grew rapidly to support the changes required of the Army at that time. The Army supported combat operations in two theaters, increasing end strength, the Global Defense Posture Realignment (GDPR), the operationalization of the Reserve components, and transformation of the Army infrastructure through Base Realignment and Closure (BRAC) 2005. With the fiscal reality that we are facing as a Nation, in addition to the reductions of the Budget Control Act of 2011, the Army closely reviewed its facility investments necessary to support the force with versatile facility capabilities. This MILCON budget request reflects the necessary focused investments in training, maintenance, and operations to enable the future force of the All-Volunteer Army of 2020 in a constrained fiscal environment.

#### ARMY 2020 FORCE STRUCTURE

The Army is in the process of reducing its end strength and force structure. We are steadily consolidating and reducing our overseas force structure. In fiscal year 2013, the Army announced that two brigades in Europe would be deactivated, and that V Corps would not be returning to Europe upon the completion of its deployment to Afghanistan. In coordination with the Office of the Secretary of Defense,

the Army is examining cost-effective opportunities to facilitate joint and/or multi-service infrastructure consolidation at our overseas installations, with a specific focus in Europe.

On January 19, 2013, the Army published a Programmatic Environmental Assessment (PEA), which was prepared in accordance with the National Environmental Policy Act (NEPA). The PEA analyzes the environmental and socioeconomic impacts associated with two alternative approaches to reducing our force structure. In the PEA, the Army set a “stop loss” threshold so that no multi-Brigade Combat Team (BCT) installation would lose more than two BCTs, or 8,000 total military and civilian employee personnel, under the worst case scenario.

The force structure reduction is likely to create excess capacity at several installations. If an installation’s assigned military forces are reduced significantly, it logically follows that some number of civilian personnel functions may no longer be required to support our soldiers and families. The Army has not yet initiated any capacity analysis to determine the level of excess infrastructure.

In line with the Budget Control Act of 2011 and the new defense strategy announced in January 2012, the fiscal year 2013 budget significantly reduced the Army’s future funding projections. Along with the end of the wars in Iraq and Afghanistan, these changes have put the Army on a path to shrink its Active Duty end strength from its peak of 570,000 in fiscal year 2010, to 490,000 by fiscal year 2017. This is a reduction of 80,000 soldiers, or approximately 14 percent, from the Active component. As former Defense Secretary Leon Panetta stated about force reductions, “you can’t have a huge infrastructure supporting a reduced force.” These reductions will affect every installation in the Army. Further, these reductions are already programmed into the Army budget baseline.

Additional cuts to the Army’s budget, of the magnitude associated with sequestration, may drive our Active component end strength down below 490,000. If the Army is forced to take additional cuts due to the reduction in the outyear discretionary caps, we would need to reduce further the number of soldiers out of the Active component, National Guard, and U.S. Army Reserve. This would create even greater pressure to bring infrastructure and civilian staffing into proper alignment with force structure demands.

#### BASE REALIGNMENT AND CLOSURE (BRAC)

If Army force structure declines, but the facility overhead and civilian support staff remain constant, then our investments in equipment, training, and maintenance will become distorted.

The supporting infrastructure, as well as the civilian positions at our installations, should be reviewed to determine whether they are in line with reductions in end strength and force structure. The alternative is an installations budget that spends tens or even hundreds of millions of dollars to maintain unused facilities. This scenario would divert the Army’s shrinking resources away from much needed investments in readiness, equipment, and training. Failure to properly resource programs supporting Army families and soldier readiness will lead to an all-volunteer military that is hollowed out and weakened.

At our installations, excess infrastructure, if unaddressed, will force the Army to spread its remaining resources so thinly that the ability of our installation services to support the force will suffer. We will have more buildings in our inventory that require maintenance than we have force structure to validate a requirement. Eventually, excess infrastructure and staff overhead will increase the risk of either spending a disproportionate share of scarce budget resources on sustainment, or not being able to perform the most basic services correctly. For instance, Army civilian and contractor staff that run our digitized training ranges could be spread so thinly that the scheduling and throughput of training events at home station could suffer. As these negative effects accumulate, the remaining soldiers and families will be more likely to vote with their feet and leave the Army in an unplanned manner.

Four of the prior rounds of BRAC were implemented as the cold war was winding down and the Army’s force structure was rapidly declining. The combined 1988, 1991, 1993, and 1995 rounds (i.e., “prior BRAC”) produced 21 major base closures, 27 significant realignments, \$5 billion in implementation costs, with over \$3 billion in one-time savings, and almost \$1 billion in annual reoccurring savings. Among them was the closure of Fort Ord, California. Fort Ord was the first and only divisional post closed under BRAC, which reflected the Army’s reduction of its Active component strength from 12 to 10 divisions.

BRAC 2005 generated \$4.8 billion in one-time savings and provides over \$1 billion in net annual recurring savings for the Army. These savings were generated with an implementation period investment of about \$18 billion. The Army accounted for

BRAC savings when developing its fiscal year 2007 and subsequent budget requests. This downward budget adjustment was beneficial to the installation program overall; it resulted in real savings.

We are requesting authority from Congress to conduct a BRAC round in 2015.

#### ARMY 2020 FACILITY STRATEGY

As we shape the Army of 2020 through a series of strategic choices over the coming months and years, the Installation Management Community looks to implement its Army Facility Strategy 2020 (AFS 2020) to provide quality, energy-efficient facilities in support of the Force and the CSA priorities.

AFS 2020 provides a strategic framework that synchronizes the Army Campaign Plan, the Total Army Analysis, and Army Leadership priorities in determining the appropriate funding to apply in the capital investment of Army facilities at Army installations and joint service bases across the country. AFS 2020 is a cost-effective and efficient approach to facility investments that reduces unneeded footprint, saves energy by preserving and encouraging more efficient facilities, consolidates functions for efficient space utilization, demolishes failing buildings, and uses appropriate excess facilities as lease alternatives in support of the Army of 2020.

AFS 2020 incorporates a Facility Investment Strategy (FIS) that contains four components executed with MILCON and/or Operations and Maintenance (O&M) funding. FIS includes sustaining/maintaining required facilities; disposing of identified excess facilities by 2020; improving existing facility quality; and building out critical facility shortfalls to include combat aviation brigades, initial entry training barracks, maintenance facilities, ranges, and training facilities.

#### FISCAL YEAR 2014 BUDGET REQUEST—MILITARY CONSTRUCTION, ARMY

The fiscal year 2014 Military Construction, Army (MCA) budget requests an authorization of \$978 million and appropriations for \$1,120 million. The difference between the authorization and the appropriations requests is the \$42 million to fund the second increment of the Cadet Barracks at the United States Military Academy and \$99.6 million for Planning and Design (P&D), Unspecified Minor Military Construction (UMMC), and host nation support. The cadet barracks was fully authorized in the fiscal year 2013 National Defense Authorization Act (NDAA). This MCA budget request supports the MILCON categories of Barracks, Modularity, Redeployment/Force Structure, Revitalization, and Ranges and Training Facilities.

*Barracks (\$239 Million/21 Percent).*—The fiscal year 2014 budget request will provide for 1,800 new initial entry training barracks spaces at three installations replacing current housing in relocatable and temporary buildings. The locations of these replacement projects are: Fort Gordon, Georgia; Fort Leonard Wood, Missouri; and Joint Base Langley-Eustis, Virginia. The final project in this category is \$42 million for the second increment of the Cadet Barracks at the United States Military Academy, which was fully authorized in fiscal year 2013.

*Modularity (\$322 Million/29 Percent).*—The Army will invest \$247 million at Joint Base Lewis McCord, Washington, and Fort Wainwright, Alaska, to construct facilities for the 16th Combat Aviation Brigade (CAB). These facilities provide critical Army aviation combat capability and Joint Force support and include aviation battalion complexes, an airfield operations complex, and an aircraft maintenance and aircraft storage hangars. The Army will construct a \$75 million command and control facility at Fort Shafter, Hawaii, for United States Army Pacific.

*Redeployment/Force Structure (\$337 Million/30 Percent).*—The Army will invest \$242.2 million for seven facilities to support the 13th CAB at Fort Carson, Colorado. The facilities include two aircraft maintenance hangars, a runway, a headquarters building, simulator buildings, a fire station, and a central energy plant. Fort Bliss, Texas, will receive \$36 million to construct a complex to support the activation of a Gray Eagle Company (Unmanned Aerial System) in support of the 1st Armor Division headquarters. A \$4.8 million battlefield weather facility will support the airfield operations of the CABs at Fort Campbell, Kentucky. The Army will construct a company operations complex and an operations and maintenance facility for a total of \$54 million at unspecified worldwide locations as directed by the Department of Defense (DOD).

*Revitalization (\$86.8 Million/8 Percent).*—As part of the facility investment strategy of AFS 2020, the Army will invest in five projects to correct significant facility deficiencies or facility shortfalls to meet the requirements of the units and/or organization mission requirements. Projects included are the \$63 million pier replacement and modernization at Kwajalein Atoll, a \$2.5 million entry control building and a \$4.6 million hazardous material storage facility for the National Interagency Bio-defense Campus at Fort Detrick, Maryland; a \$5.9 million command and control oper-

ations facility at Fort Bragg, North Carolina, and a \$10.8 million air traffic control tower at Biggs Army Airfield, Fort Bliss, Texas.

*Ranges and Training Facilities (\$35.5 Million/3 Percent).*—The fiscal year 2014 budget request includes \$35.5 million to construct ranges and simulation training facilities to maintain readiness of units and soldiers. The program will provide for a \$17 million regional simulation center at Fort Leavenworth, Kansas, and a \$4.7 million weapons simulation center in support of enlisted initial entry training, and officer and non-commissioned officer career courses at Fort Leonard Wood, Missouri. The Army will construct a \$4.7 million automated sniper field fire range for special operations forces training at Eglin Air Force Base, Florida, and a \$9.1 million multipurpose machine gun range at Yakima Firing Center, Washington, in support of Active and Reserve component unit training in the area.

*Other Support Programs (\$99.6 Million/9 Percent).*—The fiscal year 2014 budget request includes \$41.6 million for planning and design of MCA projects and \$33 million for the oversight of design and construction of projects funded by host nations. As executive agent, the Army provides oversight of host nation funded construction in Japan, Korea, and Europe for all facilities sustainments. The fiscal year 2014 budget also requests \$25 million for unspecified minor construction.

#### MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The fiscal year 2014 Military Construction, National Guard (MCNG) budget requests an authorization of and an appropriation for \$320,815,000. The MCNG program is focused on the MILCON categories of Modularity, Revitalization, and Ranges and Training Facilities.

*Modularity (\$121 Million/37 Percent).*—The fiscal year 2014 budget request is comprised of seven projects, which include five readiness centers/armed forces reserve centers in Illinois, Minnesota, Mississippi, New York, and South Carolina. This request also includes one vehicle maintenance shop in South Carolina, and one Army aviation support facility in Illinois.

*Revitalization (\$138 Million/43 Percent).*—The Army National Guard budget funds 12 projects to replace failing and inefficient facilities. There is a maneuver area training and equipment site in the Commonwealth of Puerto Rico, readiness centers in Alabama and Wyoming, an armed forces reserve center in Texas, enlisted transient training barracks in Michigan and Massachusetts, a vehicle maintenance shop and aircraft maintenance hangar in Missouri, a civil support team ready building in Florida, an aviation training/maintenance facility in Pennsylvania, and two water utilities projects in Mississippi and Ohio. These projects will provide modernized facilities and infrastructure to enhance the Guard's operational readiness.

*Ranges and Training Facilities (\$21 Million/7 Percent).*—The fiscal year 2014 budget request includes a scout reconnaissance range gunnery complex in Fort Chaffee, Arkansas.

*Other Support Programs (\$41.2 Million/13 Percent).*—The fiscal year 2014 Army National Guard budget request includes \$29 million for Planning and Design of Future Projects and \$12.2 million for Unspecified Minor Military Construction.

#### MILITARY CONSTRUCTION, ARMY RESERVE

The fiscal year 2014 Military Construction, Army Reserve (MCAR) budget requests an authorization of \$158,100,000 and an appropriation for \$174,060,000. The MCAR program is focused on the MILCON categories of Revitalization and Ranges and Training Facilities. The difference between the authorization and appropriation requests funds P&D and UMMC.

*Revitalization (\$143.2 Million/82 Percent).*—The fiscal year 2014 Army Reserve budget request includes nine projects that build out critical facility shortages and consolidate multiple failing and inefficient facilities with new operations and energy-efficient facilities. The Army Reserve will construct four new Reserve centers in California, Maryland, North Carolina, and New York that will provide modern training classrooms, simulations capabilities, and maintenance platforms that support the Army force generation cycle and the ability of the Army Reserve to provide trained and ready soldiers for Army missions when called. The request includes a new access control point/mail/freight center and NCO Academy dining facility at Fort McCoy, Wisconsin. At Joint Base McGuire-Dix-Lakehurst, New Jersey, the Army Reserve will construct a consolidated dining facility and central issue facility and eliminate four failing, Korean War era, buildings. Lastly, the request will provide a modern total Army school system training center at Fort Hunter-Liggett, California, in support of all Army units and soldiers.

*Ranges and Training Facilities (\$15 Million/9 Percent).*—The budget request includes two ranges that will build out a shortage of automated, multipurpose ma-

chinegun ranges and modified record fire ranges at Joint Base McGuire-Dix-Lakehurst, New Jersey. The ranges will enable Active and Reserve component soldiers in the northeastern part of the country to hone their combat skills.

*Other Support Programs (\$16 Million/9 Percent).*—The fiscal year 2014 Army Reserve budget request includes \$14.2 million for Planning and Design of Future Year Projects and \$1.7 million for Unspecified Minor Military Construction.

#### FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

The fiscal year 2014 budget request includes \$512.8 million to support the Army's Military Family Housing in the following areas: operations, utilities, maintenance, and repair; leased family housing; and oversight management of privatized housing. This request funds over 16,000 Army-owned homes in the United States and overseas, almost 6,500 leased residences worldwide, and Government oversight of more than 86,000 privatized homes.

*Operations (\$101.7 Million).*—The Operations account includes four subaccounts: management, services, furnishings, and a small miscellaneous account. All operations subaccounts are considered "must pay accounts" based on actual bills that must be paid to manage and operate the AFH-owned inventory. Within the management subaccount, Installations Housing Service Offices provide referral services for off-post housing for 67 percent of the Army families that reside in the local communities.

*Utilities (\$96.9 Million).*—The Utilities account includes the cost of delivering heat, air conditioning, electricity, water, and wastewater support for owned or leased (not privatized) family housing units.

*Maintenance and Repair (\$107.6 Million).*—The Maintenance and Repair account supports annual recurring projects to maintain and revitalize AFH real property assets. This funding ensures that we appropriately maintain the 16,000 Army-owned housing facilities so that we do not adversely impact soldier and family quality of life.

*Leasing (\$180.9 Million).*—The Army Leasing program is another way to provide soldiers and their families with adequate housing. The fiscal year 2014 budget request includes funding for 1,369 temporary domestic leases in the United States, and 5,064 leased units overseas. The overseas leases include support for NATO housing in Belgium and SOCOM housing in the Dominican Republic, Jamaica, Colombia, and Miami.

*Privatization (\$25.7 Million).*—The Privatization account provides operating funds for portfolio and asset management and strategic oversight of privatized military family housing and it pays for civilian pay at 44 locations; travel; contracts for environmental and real estate functions, training, and real estate development and financial consultant services. The need to provide oversight over the privatization program and projects is reinforced in the fiscal year 2013 NDAA which requires more oversight to monitor compliance, reviews and reporting performance of the overall privatized housing portfolio and individual projects.

In 1999, the Army began privatizing family housing assets under the Residential Communities Initiative (RCI). The RCI program continues to provide quality housing that soldiers and their families and senior single soldiers can proudly call home. All scheduled installations have been privatized through RCI. RCI has met its goal to eliminate those houses originally identified as inadequate and built new homes where deficits existed. RCI family housing is at 44 locations and is projected to eventually represent 98 percent of the on-post family housing inventory inside the United States. Initial construction and renovation investment at these 44 installations is estimated at \$13.2 billion over a 3- to 14-year initial development period (IDP), which includes an Army contribution of close to \$2 billion. All IDP's are scheduled to be completed by 2018. After all IDP's are completed, the RCI program is projecting approximately \$34 billion in development throughout the 44 locations for the next 40 to 50 years. From 1999 through 2012, our partners have constructed 29,173 new homes, and renovated another 24,641 homes.

#### FAMILY HOUSING CONSTRUCTION, ARMY

The Army's fiscal year 2014 Family Housing Construction request is for \$39.6 million for new construction and \$4.4 million for planning and design. The Army will construct 56 single family homes at Fort McCoy, Wisconsin, to support the senior officer and senior non-commissioned officer and families stationed there. Additionally, the Army will construct 29 townhouse style quarters in Grafenwoehr at Vilseck, Germany, as part of the consolidation and closure of the Bamberg and Schweinfurt garrisons.

## BASE CLOSURE ACCOUNT (BCA)

BRAC property conveyance remains an Army priority. Putting excess property back into productive re-use, which can facilitate job creation, has never been more important than it is today.

The fiscal year 2013 NDAA consolidated BRAC Legacy and BRAC 2005 accounts into a single DOD Base Closure Account (BCA). The Army's portion of the fiscal year 2014 budget request is for \$180,401,000. The request includes \$50.6 million for caretaker operations and program management of remaining properties, and \$129.8 million for environmental restoration efforts. In fiscal year 2014, the Army will continue environmental cleanup, and disposal of BRAC properties. The funds requested are needed to keep planned cleanup efforts on track, particularly at prior-BRAC installations including Fort Ord, California, Fort McClellan, Alabama, Fort Wingate, New Mexico, Fort Devens, Massachusetts, and Savanna Army Depot, Illinois. Additionally, funds requested support environmental restoration projects at several BRAC 2005 installations such as Lone Star Army Ammunition Plant, Texas, Kansas Army Ammunition Plant, Kansas, and Umatilla Chemical Depot, Oregon. Completing environmental remediation is critical to transferring property back into productive re-use and job creation.

In total, the Army has conveyed almost 219,000 acres (78 percent of the total BRAC acreage disposal requirement of 279,000 acres), with approximately 61,000 acres remaining. The current goal is for all remaining excess property (22 percent) to be conveyed by 2021. Placing this property into productive reuse helps communities rebuild the local tax base, generate revenue, and replace lost jobs.

## ENERGY

The Army is moving forward to address the challenge of Energy and Sustainability on our installations. In fiscal year 2014, the Installation Energy budget totals \$1.719 billion and includes \$43 million from the DOD Defense-wide MILCON appropriation for the Energy Conservation Investment Program (ECIP), \$344 million for Energy Program/Utilities Modernization program, \$1,332 million for Utilities Services, and \$5.0 million for installation-related Science and Technology research and development. The Army conducts financial reviews, business case and lifecycle cost analysis, and return on investment evaluations for all energy initiatives.

*ECIP (\$43 Million).*—The Army invests in energy efficiency, on-site small-scale energy production, and grid security through the DOD's appropriation for ECIP. In fiscal year 2014, the DOD began conducting a project-by-project competition to determine ECIP funding distribution to the services. The Army received \$43 million for 11 projects to include 6 energy conservation projects, 4 renewable energy projects, and 1 energy security project.

*Energy Program/Utilities Modernization (\$344 Million).*—Reducing consumption and increasing energy efficiency are among the most cost-effective ways to improve installation energy security. The Army funds many of its energy efficiency improvements through the Energy Program/Utilities Modernization program account. Included in this total are funds for energy efficiency projects, the development and construction of renewable energy projects through the Energy Initiatives Task Force, the Army's metering program, modernization of the Army's utilities, energy security projects and planning and studies.

*Utilities Services (\$1,332 Million).*—The Utilities Services account pays all Army utility bills including the repayment of Utilities Privatization (UP), Energy Savings Performance Contracts (ESPCs), and Utilities Energy Service Contracts (UESCs). Through the authority granted by Congress, ESPCs and UESCs allow the Army to implement energy efficiency improvements through the use of private capital, repaying the contractor for capital investments over a number of years out of the energy cost savings. The Army has the most robust ESPC program in entire Federal Government. The ESPC program has more than 170 task orders at over 70 installations representing \$1.16 billion in private sector investments and over 350 UESC task orders at 43 installations, representing \$543 million in utility sector investments. We have additional ESPC projects in development, totaling over \$400 million in private investment and \$100 million in development for new UESCs. In fiscal year 2012, the Army executed more ESPCs and UESCs in one fiscal year than any other year in the entire history of program (\$236 million).

*Installation Science and Technology Research and Development (\$5.0 Million).*—Installation Science and Technology programs investigate and evaluate technologies and techniques to ensure sustainable, cost-efficient and effective facilities to achieve resilient and sustainable installation and base operations. Facility enhancement technologies contribute to cost reductions in the Army facility lifecycle process and the supporting installation operations.



## ENVIRONMENT

The Army's fiscal year 2014 Operations and Maintenance budget provides \$788,868,000 for its Environmental Program in support of current and future readiness. This budget ensures an adequate environmental resource base to support mission requirements, while maintaining a sound environmental compliance posture. Additionally, it allows the Army to execute environmental aspects of re-stationing while increasing programmatic efficiencies and addressing the Army's past environmental legacy.

As a land-based force, our compliance and stewardship sustains the quality of our land and environment as an integral component of our capacity to train for combat effectively. We are committed to meeting our legal requirements to protect natural and cultural resources and maintain air and water quality during a time of unprecedented change. We are on target to meet DOD goals for cleaning up sites on our installations (90 percent of non-BRAC sites will be at response complete in fiscal year 2018 and 95 percent by fiscal year 2021), and we continue to fulfill environmental compliance requirements despite operating in a constrained resource environment.

## FACILITY SUSTAINMENT, RESTORATION AND MODERNIZATION (FSRM)

This year's Facility Sustainment, Restoration and Modernization (FSRM) funding is \$3,760,996,000. This request includes \$3,082 million for Sustainment (80 percent of the OSD FSM requirement, for all Army components), \$36 million for demolition, and \$643 million for Restoration and Modernization. The Army views 80 percent sustainment funding as a necessary adjustment due to the economic impacts and the requirements of the fiscal year 2011 Budget Control Act. FSRM funding is an integral part of the Facility Investment Strategy (FIS) proponent of AFS 2020. The Army is taking a slight risk in the sustainment of our facility inventory valued at \$312 billion. In keeping with the FIS, the Army has increased its investment in facility restoration through the O&M-R&M account. This will fully restore trainee barracks, enable progress toward energy objectives, and provide commanders with the means of restoring other critical facilities. Facilities are an outward and visible sign of the Army's commitment to providing a quality of life for our soldiers, families, and civilians that is consistent with their commitment to our Nation's security.

## BASE OPERATIONS SUPPORT (BOS)

The Army's fiscal year 2014 Base Operations Support (BOS) request is \$8,867,014,000, which is a slight decrease from the fiscal year 2013 request. The Army's fiscal year 2014 BOS strategy continues to prioritize funding for Life, Health, and Safety programs and Army Force Generation (ARFORGEN) requirements ensuring soldiers are trained and equipped to meet demands of our Nation at war. The Army remains committed to its investment in Army Family Programs and continues to evaluate its services portfolio in order to maintain relevance and effectiveness. The Army will meet the challenge of day-to-day requirements by developing efficient service delivery or adjusting service levels while managing customer expectations. These efforts will encourage program proponents to evaluate policies, seek alternatives, and find innovative solutions to meet these challenges. The Army is committed to developing a cost culture for increasing the capabilities of BOS programs through an enterprise approach. Additionally, the Army will continue to review service delivery of its soldier, family, and civilian programs to ensure the most efficient and effective means of delivery are realized.

## CONCLUSION

The Army's fiscal year 2014 installations management budget request is a program that assists the Army as it transitions from combat. It provides for our soldiers, families, and civilians, while recognizing the current fiscal conditions. The Army requests the support of the subcommittee and the Congress in its effort to implement the Army Facility Strategy 2020 and facilities investment strategy. These combined efforts will set the foundation for the sustainment, restoration and modernization of the facilities necessary to enable the future Army of 2020, a joint force with a versatile mix of capabilities.

The planned reduction of 14 percent of the Active Army's end strength to 490,000 by the end of fiscal year 2017 will create excess U.S.-based installation infrastructure. Since 2005, as we reduced installations overseas, many units relocated back to the United States. For example, Forts Benning, Bliss, Bragg, Carson, Knox, and Riley received approximately 7 million square feet of additional infrastructure to host and support these units returning home from overseas. The additional capacity

here at home was important because it helped the Army transform from a division-based force into modular brigade combat teams.

With sequestration triggered, we face additional and significant reductions in the annual funding caps limiting defense budgets for the next 9 years; these reductions would cause reductions in military and civilian end strength. A future round of base realignment and closure (BRAC) is essential to identify excess Army infrastructure and prudently align civilian staffing and infrastructure with reduced force structure and reduced industrial base demand. BRAC allows for a systematic review of existing DOD installations to ensure effective joint and multi-service component utilization. If we do not make the tough decisions necessary to identify efficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and family programs and the quality of our installation services will suffer. We are requesting authority from Congress to conduct a BRAC round in 2015.

In closing, I would like to thank you again for the opportunity to appear before you today and request your commitment to the Army's program and the future of our soldiers, families, and civilians.

Senator JOHNSON. Thank you, Secretary Hammack.

For the information of Senators, we will limit questions to 5-minute rounds, and I ask my colleagues to be mindful of that limit so that everyone has a chance to participate. You may, of course, submit questions for the record.

We will use the early bird rule, and I will recognize members from alternating sides in the order in which they arrive.

Secretary Hammack, the Army is currently conducting a force structure initiative called the Total Army Analysis review, or TAA, to look at how to best draw down from 570,000 soldiers in 2010 to 490,000 in fiscal year 2017.

At the same time, the Army is also involved in two basing initiatives, OSD's European basing study that will outline a master plan for an enduring force lay-down in Europe and a proposed 2015 BRAC round to close bases in the United States.

What steps is the Army taking to coordinate these different reviews and plans? And how can this subcommittee be assured that recommendations from the TAA will support the European basing study or the recommendations of a future BRAC commission?

#### ARMY INITIATIVES

Ms. HAMMACK. These initiatives are very well coordinated together. Currently, the force structure that will be announced, as you said, is a reduction of 80,000. We have already announced the force structure reductions coming out of Europe to brigade combat teams, so we know what our force structure is planned for Europe.

In the United States, it's at least eight brigade combat teams and maybe more with impacts of sequestration.

When we put together our fiscal year 2014 MILCON budget, we took into account the potential impacts of force reductions at our bases that have significant numbers of soldiers. And so you do not see us investing in brigade combat team headquarters; you do not see us investing in permanent party barracks. We're investing in training ranges; we're investing in training barracks; and we're investing in infrastructure improvements or fixes that do not require or will not be impacted by stationing moves.

## EUROPEAN MILITARY CONSTRUCTION

Senator JOHNSON. The budget request includes funding for several Army projects and for a number of DOD schools at U.S. Army bases in Germany.

If everything is on the table, why should Congress invest in MILCON in Europe until the basing reviews are completed? And if certain installations are not on the table, can you identify those for us?

Ms. HAMMACK. I believe that the OSD budget has plans for Department of Defense Education Activity (DODEA) schools. That's not in the Army budget. The Army budget is Army family housing in locations that will be enduring.

There is coordination on schools. And as part of the European infrastructure consolidation analysis, we are looking at the entire educational system in Europe.

The other thing to be aware of is the DODEA schools do support Federal agencies beyond just the military that are stationed in Europe.

Senator JOHNSON. For U.S. bases, the first part of TAA, an environmental assessment, was recently completed. The assessment focused on brigade combat teams and their size, composition, and location.

I understand that the Army is now entering the next phase of the process, where it will begin to look at possible stationing decisions.

## TOTAL ARMY ANALYSIS (TAA)

Secretary Hammack, when do you expect to complete the TAA, and will its findings be incorporated into the fiscal year 2015 budget submission?

Ms. HAMMACK. The fiscal year 2015 budget will be impacted by the TAA, and we are looking very closely what projects to add in that had been postponed and what projects would be removed from the Future Years Defense Plan (FYDP).

The Secretary of the Army and the Chief of Staff of the Army announced that the TAA would become final in June. And I do not know an exact date at this point in time.

Senator JOHNSON. Senator Kirk.

Senator KIRK. Thank you, Mr. Chairman. I'll try to be pretty quick with your guidelines.

I'd like to focus on Pacific lay-down, like the President has been focusing on. I want to make sure our plans to harden Army facilities in PACOM, I understand we have about \$153 million in hardening plans coming up.

Because of the potential of a Korean scenario, the B-2 deployment to Andersen in Guam concerns me, to make sure that that asset is preserved, that we have that around.

My only real question is that the hardening study be in line with the PACOM, the combatant commander's wishes. I put in a request to see him whenever he gets in, to make sure that's also in line with PACAF and what they're looking at.

Ms. HAMMACK. Sir, it's my understanding that that is something that the Air Force is looking at, in conjunction with the Navy on Guam. Currently, there are no Army equities there.

Senator KIRK. Thank you.

Senator JOHNSON. Senator Udall.

Senator UDALL. Thank you very much, Mr. Chairman.

And thank you for being here and thank you for your service.

#### WHITE SANDS MISSILE RANGE

I asked this question last week and was not able to get a clear answer on it, so I'm hoping you can clarify about the status of appropriated funds for White Sands Missile Range.

The Congress appropriated military construction funds for barracks at White Sands Missile Range for fiscal year 2011, as I mentioned last week. To date, we have only heard excuse after excuse of why this project has not broken ground.

Our soldiers at White Sands Missile Range deserve better, and I believe it is about time that DOD and the Army carried out this appropriation. What can you tell me about the status of the barracks and when will we be able to see this project get started at White Sands Missile Range?

Ms. HAMMACK. Sir, the project you're talking about is a \$29 million project for about 300 barracks spaces. My office put that project on hold pending the stationing actions, which will be announced next month.

We do not want to build excess capacity should stationing actions not require that facility.

Also at White Sands Missile Range, my understanding is the barracks occupancy currently is at 79 percent. That was as of January 1 of this year. Because there is barracks capacity currently at White Sands Missile Range with the stationing actions, the project will continue to be on hold until stationing actions indicate that there is a need for those barracks.

Senator UDALL. When do you expect that to happen?

Ms. HAMMACK. By the end of next month.

Senator UDALL. So at the end of next month, that's when you'll have a clearer picture as to whether to move forward or not?

Ms. HAMMACK. Yes, sir.

Senator UDALL. Yes, okay. Thank you.

White Sands Missile Range is home to one of the largest solar photovoltaic systems in the country, and I want to thank you for your leadership to make this a reality.

The solar array will supply about 10 percent of the energy for White Sands Missile Range and reduce carbon emissions by 7,400 tons per year. This is an important step toward making our bases more energy independent, which I believe is a really important national security issue.

Could you talk about future plans for alternative energy and the other programs that are in the works for White Sands, Fort Bliss, and other military installations, and what type of support you need from Congress to make these programs a reality?

## ENERGY SECURITY

Ms. HAMMACK. One of the initiatives we have is to improve energy security. We have seen between fiscal years 2011 and 2012 a fourfold increase in the number of power disruptions on our bases. That means that we are required to provide more generation on our bases so that we can continue our mission.

Renewable energy like that at White Sands helps us continue our mission with that energy security. What we are doing at White Sands, we are looking at Fort Bliss and other bases, and that is to leverage public-private partnerships, so that we do not have to come to Congress to ask for the money to invest in renewable energy, but we depend upon the private sector to install it, to operate and maintain it. We buy energy from them at a market or lower-than-market price.

That helps give us stability in our energy budgets. That also helps with the energy security and mission effectiveness.

Senator UDALL. Thank you.

And we very much appreciate your efforts to move toward these alternative forms of energy and put the military in a position of energy independence, which you know has a big impact on national security.

I know I only have another minute. I wanted to raise the issue of the F-16 beddown at Holloman Air Force Base, so let me just cut quickly to that.

I mean, how closely is the Army working with the Air Force to help de-conflict scheduling issues and airspace coordination to support the F-16 training mission at Holloman? And do you believe White Sands has the facilities and personnel it needs to manage this change in the mission in the range's airspace and at Holloman Air Force Base?

Ms. HAMMACK. Currently, sequestration is affecting all of us. And the Secretary of Defense announced that there will be 11 furlough days for members of the Department of Defense. That is affecting all of our testing missions at White Sands Missile Range. It's also affecting the availability of de-conflicting testing missions with airspace for Holloman.

It is a challenge, and it will remain a challenge through the summer as we have civilians on shortened work hours. We're not allowed to work any overtime. We're not allowed to work any weekends. And they're allowed to only work 32 hours a week. It will impact Holloman, as it impacts the Army.

## ADDITIONAL COMMITTEE QUESTIONS

Senator UDALL. Thank you very much. We're trying to lift that sequester and do everything we can to get you the resources you need. Thank you.

Senator JOHNSON. Thank you.

This panel is excused.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. KATHERINE G. HAMMACK, LIEUTENANT GENERAL  
MICHAEL FERRITER, BRIGADIER GENERAL WALTER E. FOUNTAIN, AND ADDISON D.  
DAVIS, IV

#### QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

##### EUROPEAN BASING

*Question.* The fiscal year 2014 budget request includes funding for Army projects and DOD schools at Army bases in Germany. If everything is on the table, why should Congress invest in MILCON in Europe until the basing review is completed? If certain installations are not on the table, can you identify those for us?

*Answer.* Military construction (MILCON) in Europe is required for Army communities where soldiers and families have been consolidated over the last 10 years as part of DOD's Global Defense Posture plans, EUCOM's Theater Posture Plan, and Army Transformation. In keeping with these long-term plans, the Army in Europe has closed hundreds of smaller, inefficient sites since 1989 and the end of the cold war. Enduring communities like Wiesbaden, Grafenwoehr, and Kaiserslautern, Germany, are mainstays of America's forward presence in Europe and provide operational and quality of life support for the 30,000 soldiers who will remain in theater.

Construction in these locations is in line with our support efforts and can be expected to be utilized for as long as U.S. forces remain in the European theater. All MILCON in Europe is reviewed carefully to ensure we do not waste taxpayer money on sites that may no longer be needed.

While all sites are included in the review, initial assessments indicate that there are sites that are unlikely to be impacted by the study. Unless all forces are withdrawn from Europe, and with that, the United States opts to relinquish its strategic political and geographic advantages of a forward presence, then remaining communities like Wiesbaden, Grafenwoehr, and Kaiserslautern will require some support.

The fiscal year 2014 submission includes DOD-level projects to replace schools in Wiesbaden and Kaiserslautern, which have surpassed their structural lifecycle, do not support current educational standards, and are overcrowded. As a critical command and control main operating base, Wiesbaden is now home to U.S. Army Europe headquarters with its signal and military intelligence assets to be co-located together on one site at Clay Kaserne. Kaiserslautern represents not only a location for strategic airlift, but is also the community that houses the Army's combat support and logistical units. Also in Kaiserslautern is the United States' only regional medical center between the United States and areas of persistent conflict in the Middle East, Africa, and other trouble spots. Due to its geographic position, this medical facility has increased Wounded Warrior treatment and survival rates to historic highs over the past 10 years with its combat-tested casualty evacuation system.

Further, there are members of the DOD staffs involved in the basing review to ensure that the Army program and DOD schools are synchronized, as they move forward in the programming process.

The fiscal year 2014 project for housing at South Camp Grafenwoehr will help alleviate existing housing shortfalls in the community. With its rural location, the Grafenwoehr community does not have sufficient off-post housing capacity with an appropriate radius to accommodate the numbers of soldiers stationed there. More on-post family housing is needed to address this situation. With Grafenwoehr as our primary training facility in Europe, the location of our largest concentration of soldiers stationed in any European garrison, and the focal point of the preparation for deployment of all U.S. soldiers in Europe, it warrants our continued support.

##### MILITARY CONSTRUCTION TOTAL ARMY ANALYSIS

*Question.* Will the projects requested in fiscal year 2014 be impacted by TAA? In other words, has Army requested projects this year that might become unnecessary or redundant by the TAA findings and Army's ensuing realignment plans?

*Answer.* The projects submitted in the fiscal year 2014 MILCON program are for valid and necessary requirements that will not be affected by future decisions regarding end strength or brigade combat team reductions. The projects support enduring requirements for combat aviation brigade stationing, Gray Eagle stationing, initial entry training barracks, and recapitalization of existing facility requirements across the Army.

##### BRIGADE MOVEMENT STRATEGY

*Question.* Prior to the completion of the TAA review and OSD's European basing review, how can the Army make the determination that moving two of the 173rd

brigade's battalions from Bamberg and Schweinfurt to Grafenwoehr is the correct strategy to undertake?

Answer. The DOD decision, which was announced on February 16, 2012, to reduce the Army's European force by approximately 2,500 soldiers in enabling units and two Brigade Combat Teams (BCT), allowed U.S. Army Europe to adjust its stationing plans and maximize use of our facilities in Italy and Germany.

Placing the two battalions at Grafenwoehr eliminates additional MILCON requirements that would otherwise be needed in Vicenza if the units were relocated there as previously planned. Subsequent growth in U.S. Army Africa, the 173rd IBCT (ABN), and other elements in the community led to serious overcrowding in Vicenza. The original MILCON request for Del Din was to accommodate some 1,830 soldiers of the 173rd U.S. Army Europe will now use these facilities for some 2,000 173rd soldiers, so the new facilities will be used at capacity. Relocating the two battalions to Grafenwoehr reduces stress on community support facilities at Ederle. Stationing the entire 173rd in Italy would require new MILCON for barracks, schools, a CDC expansion, and more for roughly \$120 million. Alternatively, the Army will use existing modern facilities available at Grafenwoehr.

Locating the 1-91st Cavalry Regiment and the 4-319th Field Artillery Battalion of the 173rd Infantry BCT (Airborne) to Grafenwoehr places those units in a location where they can easily access our training areas. Redirecting these two units continues the consolidation of soldiers into remaining main operating bases. The Army was already focusing on these main operating bases before the current basing review. We determined it prudent to put units that can most benefit from proximity to our training areas in Grafenwoehr.

In Italy, soldiers will fully utilize the new facilities in Del Din this summer, and the relocation of the 173rd BCT (Airborne) battalions from Bamberg and Schweinfurt will enable the timely closure of those garrisons. With 11 individual sites between the two communities, Bamberg and Schweinfurt generated more than \$160 million in base operating costs and were identified some 10 years ago for closure. Since Bamberg and Schweinfurt were not tagged as main operating bases in the DOD Global Posture Plan, facilities there have been only minimally maintained with no military construction. The two communities have been funded only with year-of-execution dollars for the past few years. Their closures were publicly announced as part of the DOD 2012 BCT announcement and garrison staffs, including hundreds of local national employees, were notified, as well as German officials at the Federal, State, and local level.

The DOD 2012 announcement incorporated the major changes in the TAA process, bringing the Army in Europe to some 30,000 soldiers. The TAA process is not anticipated to generate any significant change that could not be accommodated by this distribution of remaining forces.

#### 173RD COMBAT AVIATION BRIGADE SUPPORT

*Question.* In the fiscal year 2014 budget, the Army has requested \$16.6 million to construct 29 family housing units in Vilseck, Germany, to support military forces stationed at Grafenwoehr. At the same time, the Army has decided to station two units of the 173rd Combat Aviation Brigade at Grafenwoehr instead of moving to Italy as originally planned.

Is this housing required for the 173rd's move? What, if any, other MILCON is required at Grafenwoehr to support the 173rd?

Answer. The Army Family Housing-Construction funds are required to meet all family housing requirements at U.S. Army Garrison Grafenwoehr, which includes the restationing of the two battalions from the 173rd Brigade Combat Team. The family housing requirements are based on the total installation population found in the Army Stationing and Installation Plan. The project will support the current and projected Grafenwoehr military population, which includes personnel transferred from closing garrisons throughout Germany. No additional MILCON is needed for the 173rd battalions at Grafenwoehr.

#### GUARD AND RESERVE FUTURE YEARS DEFENSE PROGRAM (FYDP) PROJECTIONS

*Question.* With the understanding that the budget environment has stressed fiscal year 2014 MILCON funding, will the Army Guard and Army Reserve be able to meet their critical mission roles given revised out-year FYDP projections?

Answer. The Army remains committed to providing MILCON funding to all components in support of their most urgent facility restoration and modernization requirements. The Army National Guard and Army Reserve will continue to fulfill their critical mission roles at the level of MILCON funding in the fiscal year 2014 request. The projected out-years in the fiscal years 2014-2018 Future Years Defense

Program (FYDP) contain some risk to meeting critical mission roles for all components. The Army's components facilities require a sustained MILCON investment in order to properly support unit readiness.

The Army recognizes there are differences in the level of investment over the past decade and has already identified National Guard readiness centers and Army Reserve centers as a focus area in the facility investment strategy, they are prioritized for MILCON investment. Further, the Army is working with both components to address their requirements by reviewing the percentage allocation of the total obligation authority as well as continuing to support sustainment, restoration and modernization requirements.

#### NATIONAL GUARD READINESS CENTERS

*Question.* An estimated 40 percent of National Guard readiness centers are 50 years old or older. How is the reduction in Army Guard funding affecting the Guard's ability to replace these aging and inadequate buildings?

*Answer.* The Army remains committed to providing Military Construction (MILCON) funding to all components in support of our most urgent facility restoration and modernization requirements. The Army recognizes there are differences in the level of investment over the past decade and has already identified National Guard readiness centers that continue to have a critical need for MILCON investment as a focus area in the Facility Investment Strategy. Further, the Army is working with the Army National Guard (ARNG) to address its requirements by reviewing the percentage allocation of the Total Obligation Authority as well as continuing to support sustainment, restoration and modernization requirements.

The reduction in ARNG funding impacts the ability to replace aging and inadequate buildings and properly support unit readiness in several ways. First, it slows the rate at which the aging, inadequate readiness centers can be replaced with functionally adequate facilities. Second, inadequate facilities lead to a loss and inefficient use of training time due to facility shortcomings. Third, many of these aging and outdated facilities lack the space, design, information technology requirements, and energy efficiency improvements needed to house ARNG units.

#### IMPACT OF DOWNWARD TREND OF MILCON FUNDING

*Question.* What is the impact of the downward trend of MILCON funding on Army Reserve facilities and readiness?

*Answer.* The downward trend of the MILCON funding presents no immediate degradation of either Army Reserve facilities or the readiness of the Army Reserve. However, the continuation of reduced funding will have a negative impact on facility sustainment and mission readiness. The Army Reserve will continue to prioritize its MILCON program within available funding to resource its most critical facility needs to fully support all known mission requirements and provide appropriate facilities to its citizen-soldiers. However, maintaining a reduced program over the long term will increase the average age of Army Reserve facilities resulting in more units and soldiers training in overcrowded and substandard facilities for an extended period of time.

#### FUTURE YEARS DEFENSE PROGRAM (FYDP) PROJECTIONS

*Question.* Is the steep drop in Army's MILCON FYDP over the past couple of years a reflection of future needs and supported by solid projections, or is it an indication of uncertainty regarding the direction of the future MILCON program, particularly given that TAA remains to be completed?

*Answer.* The reduction in Army MILCON is a result of fiscal constraints from the 2011 Budget Control Act. The uncertainty related to pending force structure decisions did not impact the MILCON funding levels. Furthermore, Army MILCON programs are developed to support Army priorities that provide operational capability, prevent imminent mission degradation or failure, and enhance soldier and family quality of life, health, and safety. When the force structure decision is made, the Army MILCON program will continue to support the Army's highest priorities.

#### FUTURE YEARS DEFENSE PROGRAM (FYDP)

*Question.* Looking at out-year MILCON levels, will the Army's current and future requirements be met under the program as currently envisioned, or do you expect major revisions in the FYDP next year once you have a better picture of the Army's future force structure and laydown requirements?

*Answer.* The Army does not anticipate major revisions in the FYDP based on Total Army Analysis (TAA) decisions on the Army's future force structure. The pro-



gram will be re-evaluated for out-year minor revisions and reprioritization once the Army's force structure and stationing decisions are finalized. Army MILCON programs are developed to support Army priorities that provide operational capability, prevent imminent mission degradation or failure, and enhance soldier and family quality of life, health, and safety. During the process of selecting projects for inclusion in the fiscal years 2014–2018 FYDP, the Army selected projects that replace existing facilities that are either failing, inadequate for the mission requirements or neutral to pending force structure decisions.

#### BID SAVINGS

*Question.* While use of bid savings may be an effective backup plan for funding projects in fiscal year 2013, if bid-savings diminish in fiscal year 2014, does the Army have an alternative strategy for making up funding shortfalls under the sequester?

*Answer.* The projects presented in the fiscal year 2014 MILCON program reflect sound cost estimates and favorable bid climates. If the Army does not continue to garner bid savings as in the past and if there are funding short falls under a future sequester, our only options are to defer, reduce scope, or cancel projects prior to award. All un-awarded projects would be subjected to a thorough revalidation process and reprioritized based on requirements and operational risk.

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#### QUESTIONS SUBMITTED BY SENATOR MARK KIRK

##### BASE REALIGNMENT AND CLOSURE (BRAC)

*Question.* Last week Undersecretary Hale made a plea before this subcommittee for another round of continental United States (CONUS) base closures. Yet, the Secretary of Defense does not need BRAC authority to close overseas bases, but has rarely done so. DOD is doing a European Consolidation Study which is due at the end of the year. Given that the Army has modified its 10-year plan several times (Heidelberg, Wiesbaden, and now Del Din, Italy).

Ms. Hammack, a large number of members of the Senate are wondering why we shouldn't just wait until the study is complete, see what European bases need to be closed or realigned, decide where the troops will move to, and then discuss the need for another round of CONUS base closures. Would you please comment on this?

*Answer.* An independent assessment of the Department's overseas basing of military forces, as required by section 347 of the fiscal year 2012 National Defense Authorization Act, was completed by the RAND Corporation on December 31, 2012. The Department delivered the assessment, and the Deputy Secretary's comments in response to the assessment, to the congressional defense committees on April 18. It is practical to undertake reviews of overseas and domestic infrastructure in tandem, so each can inform the other.

Since 2006, the Army has reduced its end strength and force structure in Europe by over 45 percent. Correspondingly, the Army is on a path by fiscal year 2017 to reduce its supporting infrastructure by 51 percent, civilian staffing by 58 percent, and base operations by 57 percent. The Army has already announced the elimination of two brigade combat teams in Europe, the inactivation of V Corps, and the inactivation of thousands of additional enabler forces.

The story in Korea is similar. Significant declines in soldiers—more than 10,000 removed from Korea since 2006—has supported a consolidation of garrisons and sites.

The consolidation of the Army's overseas footprint is a process that is well underway and is properly sequenced before a future round of BRAC would be executed here in the United States.

##### ROCK ISLAND ARSENAL

*Question.* The Rock Island Arsenal depot expected more than \$143 million in workload—much of which would be done by our public—private ventures—yet to date they have only seen \$45.6 million in workload.

Ms. Hammack, can I have your assurances you are not trying to close Rock Island Arsenal by the back door by making it less attractive to a potential BRAC Commission?

*Answer.* Yes, I can assure you that the Army is not trying to close Rock Island Arsenal through any "back door."

*Question.* Ms. Hammack, why is the work not flowing to Rock Island Arsenal?

Answer. Although the fiscal year 2014 budget estimate submission for Rock Island Arsenal was \$142.6 million, the revised new order forecast is \$76.8 million. While Rock Island Arsenal's Joint Manufacturing Technology Center is the Army's Center for Industrial and Technological Excellence for Mobile Maintenance Systems, Foundry Operations, and Armor Development, the customer requirements and correlating workload did not materialize as expected due to the effects of sequestration and changes in customer requirements.

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QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

LABORATORY INFRASTRUCTURE

*Question.* I am concerned that laboratories, especially in the Army and Navy, had to take a back seat to other priorities in the MILCON budget process over the past several years. What laboratory infrastructure projects are currently budgeted, programmed, or are you are considering programming in the FYDP that will help ensure our scientists' research and development efforts have the facilities to support the Nation's critical interests? What can we do to ensure that scientists and engineers in the Defense laboratories will have the facilities and equipment the Nation will need in the future?

Answer. The Army does not have any laboratory infrastructure projects programmed for fiscal years 2014–2018 in the Future Years Defense Program (FYDP). In accordance with its Facility Investment Strategy (FIS), which is designed to address facilities that are in the highest state of disrepair first, the Army prioritized projects that were provided by the Army commands or components as their highest priority MILCON requirements. Few laboratory projects were submitted for consideration during the fiscal years 2014–2018 FYDP build, and none were selected.

The fiscal years 2014–2018 MILCON program has been carefully balanced and synchronized to meet FIS requirements, major Army initiatives, statutory law, stationing decisions, and the Army Campaign Plan. The Army will continue to encourage the commands and components to submit their highest priority projects for consideration in future MILCON programs. Laboratory infrastructure projects will continue to compete for constrained MILCON funding in future years.

DEPARTMENT OF THE AIR FORCE

STATEMENT OF HON. KATHLEEN I. FERGUSON, ACTING ASSISTANT  
SECRETARY OF THE AIR FORCE, INSTALLATIONS, ENVIRON-  
MENT AND LOGISTICS

ACCOMPANIED BY:

TIMOTHY BRIDGES, DEPUTY ASSISTANT SECRETARY, INSTALLA-  
TIONS

MAJOR GENERAL TIMOTHY BYERS, AIR FORCE CIVIL ENGINEER,  
AIR FORCE

MAJOR GENERAL RICHARD HADDAD, DEPUTY CHIEF, AIR FORCE  
RESERVE

BRIGADIER GENERAL JAMES WITHAM, DEPUTY DIRECTOR, AIR  
NATIONAL GUARD

Senator JOHNSON. I'm pleased to welcome our second panel of witnesses. The panel includes Ms. Kathleen Ferguson, Acting Assistant Secretary of the Air Force for Installations, Environment, and Logistics; Mr. Timothy Bridges, Deputy Assistant Secretary for Installations; Major General Timothy Byers, Air Force Civil Engineer; Major General Richard Haddad, Deputy Chief, Air Force Reserve; and Brigadier General James Witham, Deputy Director, Air National Guard.

We welcome you, and we look forward to your testimony. As I mentioned earlier, we're limiting opening statements to spare our witnesses the inconvenience of waiting until the Senate completes the series of votes scheduled to begin shortly.

I would just like to note that I'm relieved to see that the fiscal year 2014 MILCON and family housing budget request for the Air Force has rebounded after last year's deliberate pause in funding. However, I'm concerned that the Air Force will have to play catch-up ball on MILCON over the next few years to make up for last year's pause. At a time of major reductions in the overall defense budget, this will be a tall order for the Air Force.

Ms. Ferguson, we welcome you back to the subcommittee. Before you proceed, I would like to thank General Byers for his service to the Nation and his assistance to this subcommittee in his role as the Air Force Civil Engineer.

General Byers will be retiring next month, but I hope he will continue to contribute his expertise to the many challenges facing DOD and the Air Force today.

Ms. Ferguson, please proceed.

SUMMARY STATEMENT OF HON. KATHLEEN I. FERGUSON

Ms. FERGUSON. Good morning, Chairman Johnson, Ranking Member Kirk, and distinguished members of the subcommittee. Thank you for the opportunity to speak to you today about the Total Force Air Force installation, military construction, and environmental programs.

Also, on behalf of the Secretary and the Chief of Staff, I'd like to thank the subcommittee for your unwavering support of our Air Force and our airmen.

Our fiscal year 2014 budget request contains \$1.3 billion for Military Construction, \$2.2 billion for Facilities Sustainment, \$813 million for Restoration and Modernization, and \$465 million for Military Family Housing. In fiscal year 2013, we took a deliberate pause in MILCON to ensure we were making the right capital investment decisions as force structure adjustments were being made in line with the emerging defense strategy.

Our fiscal year 2014 MILCON request is \$900 million above our fiscal year 2013 request and returns us to near-historic funding levels, supports the Department's strategic priorities, and supports our top weapons systems modernization programs.

Ensuring component equity targets were met, approximately \$120 million and \$46 million were distributed to the Guard and Reserve components, respectively. This is an increase of \$77 million for the Guard and \$35 million for the Reserve between fiscal years 2013 and 2014.

This budget request reflects our ongoing modernization effort. This includes critical infrastructure for the F-35 and KC-46A, recapitalization of U.S. Strategic Command headquarters, and construction of the new Cyber Command Joint Operations Center.

Included in this budget request is \$265 million in unspecified locations to support the KC-46A beddown. We will submit site-specific military construction data request forms in late May after preferred and reasonable alternative bases are announced. And we respectfully request the subcommittee's support of the substitution.

The Air Force strongly supports the Department's request for another round of BRAC in 2015. While we have no current capacity analysis from which to draw, our capacity analysis from 2004 suggested that 24 percent of basing infrastructure was excess to needs.

BRAC 2005 did not result in major reductions to the Air Force. And since that time, our force structure has been cut by more than 500 aircraft, and our Active Duty military end strength has been reduced by nearly 8 percent.

We continue to spend money maintaining excess infrastructure that would be better spent on recapitalization and sustainment. Divestiture of excess property on a grander scale is a must.

During this period of fiscal uncertainty, Guard, Reserve, and Active components are ready to make the tough decisions required to avoid mission-impacting reductions in installation support that contribute to a hollow force.

#### PREPARED STATEMENTS

Our fiscal year 2014 budget request addresses our most pressing needs, seeks authorization to eliminate unnecessary infrastructure, and it stays true to the fundamental priorities of our Air Force.

Thank you, and we look forward to your questions.

[The statements follow:]

## PREPARED STATEMENT OF HON. KATHLEEN I. FERGUSON

## INTRODUCTION

As you are aware, the United States Air Force takes great care to project the distinctive capabilities of airpower. From air and space superiority—enabling joint and coalition forces to operate unhindered in the air domain while denying our adversaries the same—to global strike—holding any target on the planet at risk with either conventional or nuclear forces—to rapid global mobility, global intelligence, surveillance, and reconnaissance, and the command and control architecture to integrate full-spectrum joint military operations, the Nation expects our Air Force to provide and employ these enduring contributions from a position of continuing advantage over potential adversaries.

Those contributions are enabled and reinforced by our global network of Air Force installations, and managing those installations involves understanding and balancing mission requirements, risk, market dynamics, budgets, and the condition of our assets. Within the portfolio of installations, environment, and energy, we continually evaluate how to reduce costs while improving the way we manage our real estate, housing and energy demand. We focus our investments on critical facilities; reduce our footprint by demolishing old, energy-inefficient buildings; upgrade heating and cooling systems and other energy-intense building systems; leverage third-party financing through public-public and public-private partnerships and the lease of under-utilized portions of the portfolio, where those opportunities exist; and continue to build on our excellence in environment, safety, and occupational health programs.

However, today's fiscal climate challenges our ability to maintain our current suite of capabilities and jeopardizes our ability to fulfill our role in executing the Nation's Defense Strategic Guidance. With this fiscal year 2014 budget request, we took great care to align our limited resources with our overall objectives to maintain a high quality and ready force by investing in readiness, modernization, and airmen and their families. Proud of our success but realizing the fiscal challenges that lie ahead, we will continue to work hard to identify opportunities and initiatives with high rates of return that will maximize the impact of every dollar. We are committed to charting a path through these challenging times that fulfills the promises made to the American people, our Nation's leaders, and our innovative airmen and their families. I appreciate the opportunity to provide additional details in this testimony.

## INSTALLATIONS

Ready installations are an integral part of ensuring a ready Air Force. We consider our installations “power projection platforms” from which we employ our enduring airpower contributions, increase responsiveness, and ensure global access across the full spectrum of military operations. As such, the health of our installations directly contributes to overall Air Force readiness. Our Air Force installation investment strategy for fiscal year 2014 focuses on the Air Force's enduring contributions and on building sustainable installations to enable the Defense Strategy. We will employ a Centralized Asset Management approach to apply our limited installation dollars to our most critical needs. Using a “mission-critical, worst-first” methodology, we will minimize risk-to-mission and risk-to-airmen, and continue to optimize our processes to increase efficiency. Additionally, we must address the excess capacity we have identified previously to “right-size” our installations footprint to a smaller, but more flexible and agile, Air Force of the future. Continuing to live with more capacity than we need and have resources to sustain is akin to a “hollow force,” or in this case, “hollow installations.”

Given our strategic intent to build sustainable installations, we established a coherent link between our major installation programs during this year's budget formulation. After researching existing academic studies and analyzing private sector data, we determined we should resource maintenance and repair of our infrastructure programs at 2 percent of our plant replacement value. As a result, we are funding facilities sustainment to 80 percent of the Department of Defense's facilities sustainment model, increasing restoration and modernization investments, and increasing Military Construction (MILCON) funding to near historic levels after our fiscal year 2013 deliberate pause. In addition, we adjusted the utilities portion of our facilities operations account to meet 3-year historical obligation levels and fully resourced fire and emergency services to meet Department of Defense standards. Taken together, these investments avoid hollowing out our installations—our power projection platforms—in the near term.

In total, our fiscal year 2014 President's budget request contains \$4.31 billion for Military Construction, Facility Sustainment, Restoration and Modernization, as well as another \$465 million for Military Family Housing. For Sustainment, we request \$2.2 billion; for Restoration and Modernization, \$813 million; and for Military Construction, we request \$1.3<sup>1</sup> billion, which is approximately \$900 million more than our fiscal year 2013 President's budget request. As previously stated, this MILCON increase comes just 1 year after our deliberate pause. This is intended to bring our MILCON funding closer to historical levels, supporting the Department's strategic priorities, as well as the service's top weapons system modernization programs, and distributes MILCON funding equitably between Active, Guard, and Reserve components.

#### READINESS

Our fiscal year 2014 President's budget request includes vital facility and infrastructure requirements in support of Air Force readiness and mission preparedness. Examples of this include investments in projects which strengthen our nuclear deterrence posture at Minot Air Force Base, North Dakota, and Kirtland Air Force Base, New Mexico. Our budget request also supports Total Force cyberspace and intelligence, surveillance, and reconnaissance projects at a host of locations, including Martin State and Fort Meade, Maryland; Terre Haute, Indiana; Birmingham, Alabama, and the Air Force Weapons School at Nellis Air Force Base, Nevada.

Consistent with National Military Strategy, another key focus area for the Air Force is the Asia-Pacific theater, where we will make key investments to ensure our ability to project power in areas in which our access and freedom to operate are challenged, and continue efforts to enhance resiliency. Guam remains our most vital and diplomatically accessible location in the western Pacific. For the past 8 years, Joint Region Marianas-Andersen Air Force Base has accommodated a continual presence of our Nation's premier air assets, and will continue to serve as the strategic and operational nucleus for military operations, originating from, or transiting through, in support of a potential spectrum of crises.

To fully support Pacific Command's strategy, the Air Force is committed to hardening critical infrastructure, including select hangars, as part of Pacific Airpower Resiliency, a comprehensive initiative that also includes dispersal and rapid recovery capabilities after attack. Guam's location also provides ideal environments for training and exercises. In 2014, we plan to continue the development of the Pacific Regional Training Center (PRTC) by constructing a Silver Flag Fire Rescue and Emergency Management training facility and a Rapid Engineer Deployable Heavy Operational Repair Squadron Engineers (RED HORSE) Airfield Operations facility. These facilities will enable mandatory contingency training and enhance the operational capability to build, maintain, operate and recover a "bare base" at forward-deployed locations, and foster opportunities for partnership building in this vitally important area of the world.

#### MODERNIZATION

The fiscal year 2014 budget request includes key infrastructure investments to support beddown of the F-35A and KC-46. Our ability to remain on schedule with modernizing our aging fighter and tanker aircraft depend on meeting construction timelines for critical enabling infrastructure—facilities such as aircraft maintenance hangars, training and operations facilities, and apron and fuels infrastructure. This year's President's budget request includes a \$265 million at three locations to support the KC-46A bed down. This consists of \$193 million at an unspecified location for Main Operating Base (MOB) No. 1, \$63 million at an unspecified location for the Flight Training Unit (FTU), and \$9 million for land acquisition at Tinker Air Force Base, Oklahoma for the KC-46A depot. Potential facility types at MOB No. 1 and FTU include a flight simulator facility, 2-bay maintenance hangar, fuel cell and corrosion control hangar, parking apron and hydrant fuel system, flight training center, fuselage trainer, squadron operations and aircraft maintenance unit facilities. Specific site fiscal year 2014 military construction project data forms (DD forms 1391) will be submitted to replace the unspecified MOB No. 1 and FTU projects in May 2013 after preferred and reasonable alternative bases are announced. Our fiscal year 2014 program also supports vital combatant commander priorities, such as continuation of the multi-year effort to recapitalize the U.S. Strategic Command headquarters facility at Offutt Air Force Base, Nebraska, and construction of the new Cyber Command Joint Operations Center at Fort Meade, Maryland.

<sup>1</sup> \$1.3 billion is total force funding request including Active, Guard and Reserve.

## PEOPLE

Airmen are the Air Force's greatest asset. Recruitment, quality of life, and retention rank among our highest priorities. Our devotion to taking care of our people continues with future plans to provide adequate housing for our airmen, and their families by budgeting to sustain and modernize overseas housing, privatize all housing in the United States by the end of 2013, and continue investments and improvements in our dormitories. We are proud to say that our persistent focus and investments in our dormitories has allowed the Air Force to surpass the DOD goal that 90 percent of permanent party dorm rooms for unaccompanied airmen are adequate by 2017. We request continued support from Congress to ensure we can continue to invest in these areas in order to provide thriving housing and dormitory communities, and more importantly, take care of our valued people.

## CLOSURES AND REALIGNMENTS

We do all of this while recognizing that we are carrying infrastructure that is excess to our needs. While we have no recent excess infrastructure capacity analysis from which to draw, our capacity analysis from 2004 suggested that 24 percent of Air Force basing infrastructure capacity was excess to our mission needs. While Base Realignment and Closure (BRAC) 2005 did not make major reductions to the Air Force, since that time we have reduced our force structure by more than 500 aircraft and reduced our Active Duty military end strength by nearly 8 percent. So, intuitively we know that we still have excess infrastructure, while we spend considerable time optimizing the use of our facilities and carefully and frugally managing those facilities we know to be excess.

Physical infrastructure is expensive. As discussed, the Air Force spends billions of dollars each year operating, sustaining, recapitalizing, and modernizing our physical plant. When we account for the additional costs of running our installations, that number nearly doubles. Since the last BRAC round, we have strived to identify new opportunities and initiatives that enable us to maximize the impact of every dollar we spend. Our efforts to demolish excess infrastructure, recapitalize our family housing through privatization, unlock the fiscal potential value of under-utilized resources through leasing, and reduce our energy costs have paid considerable dividends.

Since 2006, we have demolished 38.5 million square feet of aging building space that was excess to our needs. We estimate the resultant savings to be more than \$300 million. To be more specific, we have demolished antiquated administrative facilities, ill-suited for today's technological age and excess to our needs. We have eliminated aircraft operational and maintenance facilities that we no longer need based on reductions to the size of our aircraft fleet. We have demolished old and energy-inefficient warehouse facilities no longer needed due to rapidly evolving supply chains that reduce the need for localized storage.

Like our sister services, the Air Force is committed to providing quality housing for airmen and their families. Through housing privatization, the Air Force has invested \$500 million and, in turn, leveraged \$7.5 billion in private-sector funding to provide quality homes for airmen much more quickly than we could have done with traditional military construction processes. In a similar vein, we have continually sought to improve the stewardship of our real property by leveraging appropriated dollars for private-sector investment. With the authorities provided to execute enhanced-use leases, we are pursuing innovative ways to leverage our underutilized real estate to return value to our installations. As a result of our energy conservation efforts, we have cumulatively avoided more than \$1 billion in facility energy costs since 2003, the funds for which have been redirected to better enable warfighters to complete their missions. We will continue to invest in all of these strategies.

Despite our best efforts and the innovative programs we've just mentioned, we continue to spend money maintaining excess infrastructure that would be better spent recapitalizing and sustaining our weapons systems, training for readiness, and investing in the quality of life needs of airmen. Divestiture of excess property on a grander scale is a must.

## EUROPEAN INFRASTRUCTURE CONSOLIDATION

Since 1990, the Air Force has reduced both aircraft and forces stationed in Europe by 75 percent. We operate from six main operating bases that remain critical to our NATO commitments and provide throughput and global access for three unified combatant commands. We recognize that in light of recent evolutions in the national security strategy, there may be further opportunities for consolidation. The Sec-

retary of Defense has directed a capacity analysis to explore additional opportunities for reducing long-term expenses through footprint consolidation in Europe, and the Air Force fully supports this effort. We already plan to draw down 18 Primary Aerospace Vehicle Authorized (PAA) A-10s in Europe in fiscal year 2013 and to reduce operations at Lajes Field, Azores, to better match infrastructure requirements to mission demand. Through the Office of Secretary of Defense-led study, we will look for additional opportunities for operations and support cost savings through consolidation and closure.

#### AIR FORCE ENCROACHMENT MANAGEMENT PROGRAM

The Air Force needs access to airspace and ranges from its air bases to ensure its ability to conduct test and evaluation and operational and training missions. In some cases communities are unaware that economic or land-use initiatives they are pursuing—such as development right up to the base boundary or under airspace safety zones—have the potential to limit our options for current and future mission needs.

As a result, we have instituted an Air Force Encroachment Management framework to identify and address potential encroachment issues early on. We attempt to identify, address and actively work with community planners and conservation groups to develop compatible uses through joint land use and airspace studies that preserve Air Force options and those of the surrounding communities.

To date the Air Force has worked with 32 community stakeholders in creating Installation Complex Encroachment Management Action Plans (ICEMAPs) as a means to identify current or potential encroachment issues and the actions necessary to resolve these issues to our mutual benefit. These action plans have proved so successful that the Office of Economic Adjustment has indicated they would prefer to accomplish a joint land use study after an ICEMAP has been completed because it identifies stakeholders and an installation's mission footprint (land area beyond the base boundary like military training routes, special use airspace or drop zones) that has proven key to identifying compatible development strategies. This may include adoption of land use controls in accident potential zones or clear zones, acquisition of easements or key parcels of land affecting access to our airspace and ranges—this includes leveraging the DOD-directed Readiness Environmental Protection Initiative (REPI); addressing line of sight obstructions to critical microwave wireless communication and potential mitigations; working comprehensive solutions with community stakeholders like the Gulf Regional Airspace Strategic Initiative (GRASI) with communities around Eglin Air Force Base or addressing better use of water resources in areas facing shortages now or in the future.

We are also working with DOD on analyzing the effects of siting the varying types of renewable energy projects and how best to work with developers and communities to minimize or mitigate potential impacts to our Air Force training, test and evaluation missions. Together, with the DOD Siting Clearinghouse and other services and agencies, we have cleared more than 1,500 projects for further development. We now have several initiatives underway that should help developers and local communities understand those areas near DOD installations with a high risk of adverse impact and those more suitable for the development of renewable energy or other economic initiatives.

#### AIR FORCE COMMUNITY PARTNERSHIP INITIATIVE

The Air Force is enthusiastically exploring the potential of installation-community partnerships as a means to reduce operating and service costs in support of the Air Force mission while retaining or enhancing quality. This concept is embodied in the fiscal year 2013 National Defense Authorization Act language 10 U.S.C. section 2336, and this legislation has the potential to increase DOD and the service departments' latitude in pursuing creative public-public and public-private, or "P4", partnership initiatives.

Currently, the Air Force is testing a prototype process through which installation and community leaders are motivated to develop creative ways to leverage their capabilities and resources and in the process, reduce mutual operating costs. Through this innovative start-up program, we have agreed to provide support to 13 locations where installation and community leaders have fully embraced the Air Force Community Partnership concept. We are using these prototype initiatives to drive the development of policy, identification of an oversight framework/governance structure and training requirements, types of potential opportunities and requisite resource requirements and priorities.



## CONCLUSION

During this period of fiscal uncertainty, the Air Force is ready to make the tough decisions required to avoid mission-impacting reductions in installation support that contribute to a hollow force. We recognize it will take strong leadership to ensure a fully trained and ready force, along with the facilities and support to maintain the range of capabilities required to engage a full range of contingencies and threats, at home and abroad.

Our fiscal year 2014 budget request addresses our most pressing needs, and it stays true to the five fundamental priorities of our Air Force. We continue to mature our use of centralized asset management principles to mitigate the risk that we accept by deferring recapitalization of current mission facilities. And, we remain committed to caring for our airmen and their families as we strive to eliminate inadequate housing by 2018, and to complete our privatized housing initiative in the United States by 2013.

While we strive toward remaining ready, capable and viable for the numerous security challenges ahead, we must be clear—the Air Force’s fiscal year 2014 budget request represents continued risk in our installations programs. We have made hard strategic choices during formulation of this budget request. We needed to slow the erosion in full-spectrum readiness as a result of over 20 years of combat in the Middle East. We needed to sustain our legacy fleet to remain capable of delivering the combat effects our combatant commanders require in the near term fight. And we needed to continue modernizing our aging fleet of fighters, bombers and refuelers that allow us to remain viable over the long term, particularly in the high-end anti-access/area denial environment we expect to fight in the far term. That required us to take continued risk in areas we would choose not to take risk in, such as our installations. We believe this risk is prudent and manageable in the short-term, but we must continue the dialogue on right-sizing our installations footprint for a smaller, but more capable force that sets the proper course for enabling the Defense Strategy while addressing our most pressing national security issue—our fiscal environment.

Finally, we continue to carefully scrutinize every dollar that we spend. Our commitment to continued efficiencies, a properly sized force structure, and right-sized installations will enable us to ensure maximum returns on the Nation’s investment in her airmen, who provide our trademark, highly valued airpower capabilities for the joint team.

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 PREPARED STATEMENT OF MAJOR GENERAL RICHARD HADDAD

Chairman Johnson, Ranking Member Kirk, and distinguished members of the subcommittee, thank you for the opportunity to appear before you today. I’m honored to represent America’s citizen airmen and discuss the Air Force Reserve’s military construction program.

First, I wish to highlight the over 70,000 Air Force reservists who provide our Nation’s defense with operational capability, strategic depth and surge capacity. Approximately 2,000 citizen airmen are currently deployed and 3,000 are on Active Duty status in support of combatant commander requirements. We are still in high demand and we deliver a diverse portfolio of capability in title 10 status as your Federal Reserve.

Air Force Reserve capabilities traverse air space and cyber space. Our ability to fly, fight, and win in these domains is dependent, in part, upon the quality of the installations in which we reside and operate. We are a tenant at over 50 installations, where we maximize taxpayer dollars by sharing facilities when possible. By minimizing our facility footprint, we further increase the cost-effectiveness of our Reserve force.

For fiscal year 2014, the Air Force Reserve MILCON budget request is \$45.6 million. This request funds our highest priority project, a joint regional deployment processing center at March Air Reserve Base, California. This facility will support the deployment needs for the Air Force Reserve and other Government agencies, such as the First Marine Expeditionary Force.

This request also provides for construction of a squadron operations facility for the 513th Air Control Group at Tinker Air Force Base in Oklahoma and an Entry Control Complex at Homestead Air Reserve Base in Florida. The Planning and Design funds request is \$2.2 million and \$1.5 million is for Minor Construction funds used for urgent and compelling projects of less than \$2 million.

As you consider our proposed budget, I wish to highlight that the Air Force Reserve appreciates the return to historical MILCON funding levels, however, the uncertainty of sequestration could negatively impact our fiscal year 2014 program. I

thank the subcommittee for your continued support of America's citizen airmen. I stand ready to answer any of your questions.

Senator JOHNSON. Ms. Ferguson, the Office of Management and Budget (OMB) scoring issues have delayed the award of the Northern Group Housing Privatization project, which is very important to Ellsworth Air Force Base. I understand that on May 3, OSD sent OMB the revised Air Force scoring report.

What is the status of this project? And when does the Air Force need to get the green light from OMB to keep the project on schedule?

Ms. FERGUSON. Senator, you're correct. The revised scoring report went back to OMB in early May. We need to get that scoring report approved and back from OMB by the first of July in order to close the project this fiscal year. And we're working with OSD and OMB to try to make that happen in order to close the project. And as you know, it has been in the works for many, many years now.

Senator JOHNSON. Do you foresee any further scoring issues or other problems that could further delay the award of this project?

Ms. FERGUSON. No, I do not, once we clear this. We are in final negotiations with the developer now. We are ready to close as soon as we get the scoring report back and make the transfer of the dollars into the family housing improvement fund.

Senator JOHNSON. Will you please keep me informed on the progress of this project?

Ms. FERGUSON. Will do.

Senator JOHNSON. General Haddad and General Witham, the Air National Guard and the Air Force Reserve offer this country tremendous value for a relatively moderate investment. After a decade of admirable wartime service, we need to continue to make MILCON investments in the Air Guard and Reserve to preserve their mission capability and operational readiness.

The Air Force prides itself on operating as a total force with the Active, Guard, and Reserve components all part of the same team. However, when it comes to MILCON funding, the playing field is not very level. The Air Guard share of the fiscal year 2014 MILCON request is just over 9 percent while the Reserve share is just 3.5 percent.

Do you think the Air Guard and Reserve are sufficiently funded to meet both current and emerging MILCON needs?

General HADDAD. Senator Johnson, thanks for that categorization of the situation.

I would submit to you that the Air Force has done a great job in fiscal year 2014 of ensuring equity across the board. For this particular year, the Air Force Reserve should have about 3.4 percent, and we were given 3.5 percent of the allotment. So we are very content with the equity that we've received by the Air Force.

And my hat's off to Ms. Ferguson and her staff for ensuring that our folks are playing an equitable role within that distribution.

However, I would submit that sequestration, the impacts of sequestration, they are unknown at the moment, and as a result, we are not sure how that would impact 2014. We know in 2013, it would be about a 10-percent cut, which we would be able to utilize

some of our bid savings to accommodate that. But in 2014, that's still unknown.

And I would ask the subcommittee to ensure that sequestration does not affect the MILCON budget. Thank you.

General WITHAM. Chairman Johnson, thank you for the question.

Based on the Air National Guard's fiscal plan size, the target percentage should have been about 8.4 percent. The National Guard was actually provided 8.9 percent in the fiscal year 2014 budget request. We think the Air National Guard is being treated fairly.

We will remain challenged in terms of bedding down new missions, specifically the KC-46, some of the NDAA 2013 new mission sets. These will remain challenging in terms of bedding those down, but we have been treated fairly in this budget request.

Senator JOHNSON. Senator Kirk.

Senator KIRK. When you mentioned the KC-46, I instantly focus on Scott Air Force Base in Illinois. Very aware of the global strike mission and how important it was, the B-2 deployment was, to our diplomacy in North Korea, and how critical that system is to the United States in our ability to reach out and touch someone.

I would just say, I hope, since we have very high level people here, to say to my colleague from Colorado that I was a very minor part of the U.S. delegation to the Kyoto climate change negotiations, where I worked with the OSD representative at that negotiation to make sure DOD emissions were not counted under the climate change treaty.

So remember you guys are completely off the hook with regard to Kyoto. In the actual treaty text, we put that in. I'm just worried we'll return to the old Carter days of the entire Army squinting and shivering in buildings that are dim and are hot in the summer. And the old Carter days, I remember that kind of being way too uncomfortable, because it was probably affecting productivity of the office staff, since the temperatures were not correct. And we were on a misguided effort to actually save energy that probably hurt mission accomplishment.

Mr. Chairman.

Senator JOHNSON. Senator Udall.

Senator UDALL. Thank you, Chairman Johnson.

And thank you, Senator Kirk, for your comments.

And thank you for your service, and thank you for being here today.

I wanted to just make an initial comment. I agree with Chairman Johnson about the Northern Group Housing Privatization. I'm concerned for Cannon Air Force Base. And so I hope that we can move that along, and I hope you'll keep us informed also, because that's very important to Cannon.

I want to start by asking about the nuclear weapons work entrusted to the Air Force. This is one of the most serious and important jobs in the Air Force. As long as our Nation has nuclear weapons, we need to do everything we can to carry out this mission safely.

There's no room for error with nuclear weapons. I'm concerned about the safety of our nuclear stockpile, especially after the recent issues at Minot Air Force Base.

At Kirtland Air Force Base, the Air Force and DOD have invested significant resources to strengthen the Nuclear Weapons Center (NWC), which is tasked with ensuring safe, secure, and reliable nuclear weapons to support the national command structure and the Air Force warfighter.

In addition, I would note that I'm supportive of the President's MILCON request for NWC.

In light of the complex issues surrounding the handling of these weapons, does the Air Force intend to continue its support for the mission at Kirtland Air Force Base into the future? And how does the latest MILCON request for the Air Force Nuclear Weapons Center sustainment center support this goal?

General BYERS. Senator Udall, thanks so much for your great support of your bases in New Mexico.

And just real quick, I just returned from New Mexico.

Senator UDALL. Great.

General BYERS. And your CE squadrons at Cannon and at Holloman Air Force Base were the Air Force's best for small and large units. So congratulations, you have the two top CE squadrons in the country.

Senator UDALL. Thank you for that.

General BYERS. We continue to support the nuclear war systems. You know of phase 1 that started in fiscal year 2012. The phase 2 is now in the fiscal year 2014 program and is fully supported to support that second phase, an important mission there, with also the nuclear systems wing integration. And so those are all on target.

That will support the consolidation of the people. It will support the important work that they do there to the oversight of the nuclear weapons programs.

Senator UDALL. Thank you.

I want to thank you for your efforts regarding the F-16 transition at Holloman Air Force Base. This is an issue that's not only important to the Alamogordo community but also for our national security.

The access to unencumbered airspace is second to none in New Mexico, and I believe that airmen and airwomen training to fly F-16s in New Mexico will benefit greatly from the move to Holloman.

My understanding is that the Air Force is committed to making this happen. I have no reason to think otherwise. But is the Air Force still committed to this transition?

Ms. FERGUSON. The Air Force is still committed to the transition to relocate two F-16 squadrons from Luke Air Force Base to Holloman Air Force Base. Those bed downs are on track right now still. The first squadron of 28 aircraft is anticipated to move in the second quarter of 2014, and the second squadron is anticipated to move in the second quarter of fiscal year 2015. The first one will arrive shortly after the F-22s depart.

General BYERS. And if I may add, there are two MILCON projects in the fiscal year 2014 program that support those moves, and those are on target. That's the aircraft covered wash rack and pad, and also a BAK aircraft arresting system that will be at Fort Bliss to support the emergency airfields.

Senator UDALL. Okay, one final, quick question here. It has to do with, as you know, we have two very capable Air Force special operations, both the 58th Special Operations Wing and the 27th Wing at Cannon in New Mexico. And I'm concerned about the force protection at the Cannon base.

The Air Force has invested a tremendous amount of MILCON to expand the capabilities and the infrastructure at the base, but there are still some issues regarding the safety of the perimeter, specifically near County Road R, which runs on the western boundary of the base.

What are the Air Force's plans to address the force protection issues, to protect runways and ongoing military construction at the base? And what more can be done to work with Curry County and the State of New Mexico to find a workable solution?

General BYERS. Senator Udall, we take force protection very seriously, as you know. And we've worked real close with AFSOC on the requirements to protect that installation, that special mission that they have. And using the concept of an outside-in, the perimeter is very important.

Currently, in the fiscal year 2014 Future Years Defense Plan slated for fiscal year 2016 is a major gate project to take care of the most serious concern. All the other vulnerabilities have been addressed.

In a small way, this would be one that would have to be a MILCON correction. And we have that planned for fiscal year 2016.

Senator UDALL. Thank you very much.

Thank you, Mr. Chairman.

Senator JOHNSON. Senator Collins. And please make it—

Senator COLLINS. Very brief.

Senator JOHNSON. We have a series of votes beginning at 10:30.

Senator COLLINS. Thank you very much, Mr. Chairman.

I am going to submit my questions for the record on the KC-46A issue, which has been of great concern to me. I've raised it at the previous hearing.

I will just make the comment that, last month, finally the Air Force delivered its report regarding the air-refueling receiver demand model to the Senate Armed Services Committee. And that report confirmed to me that the Air Force had not adequately captured the full range of missions that will be accomplished by the KC-46A.

Just one very brief question, Secretary Ferguson. I was also surprised that the National Guard is planning to request \$94 million in next year's budget, fiscal year 2015, for KC-46A-related construction. The existence of two fully enclosed hangars of sufficient size and dimensions accounted for 12 percent of the scoring criteria in the KC-46A basing process for the National Guard-led main operating phase, and the hangar requirement is for two hangars.

My question is, is any of the \$94 million planned for fiscal year 2015 for new hangar construction?

Ms. FERGUSON. At this point in time, we have not developed our fiscal year 2015 budget request yet. In fact, the process for selecting the first Air National Guard location, MOB-2, for the KC-46 is underway right now. And once that is selected, we'll have a bet-

ter idea of what would be inserted into the fiscal year 2015 budget. And we could come back to you with that.

Senator COLLINS. So is that just a tentative figure?

Ms. FERGUSON. That would just be a tentative figure. I have not heard that. We're still working through that process right now.

Senator COLLINS. It seems inconsistent with the criteria that was used, but I will submit the rest of my questions for the record in light of the votes. Thank you.

Senator JOHNSON. I would like to thank all of our witnesses for appearing before the subcommittee today. We look forward to working with you later this year.

#### ADDITIONAL COMMITTEE QUESTIONS

I apologize for the short work we've made of this hearing, but I assume that numerous questions will be submitted.

For the information of the members, questions for the record should be submitted by the close of business on May 22.

[The following questions were asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED TO HON. KATHLEEN I. FERGUSON

##### QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

##### CURRENT MISSION NEEDS

*Question.* Nearly 80 percent of the fiscal year 2014 military construction request is for new mission requirements or combatant command initiatives. How does the Air Force plan to address current mission military construction needs if it only spends a fraction of its military construction dollars on them?

*Answer.* With limited funding available and recognizing the need to modernize our inventory of aircraft, the Air Force is continuing to take risk in infrastructure. A significant portion of the Air Force construction account is also being used to support several large combatant command projects. This risk to infrastructure could be partially mitigated with restoration and modernization funding but that funding account is also being stressed. We will closely manage available funding to minimize mission degradation of our most critical facilities.

*Question.* What is the current recap plan for current mission military construction? Is 15 to 20 percent of the military construction budget the normal ratio of current to new mission funding? Do you foresee that ratio remaining about the same over the course of the Future Years Defense Plan?

*Answer.* The Air Force's fiscal year 2014 budget request is 24-percent current mission, 76-percent new mission. With limited funding available and recognizing the need to modernize our inventory of aircraft, the Air Force is continuing to take risk in infrastructure. During the decade 2003–2012 Air Force budget requests averaged 57-percent current mission. We will continue to advocate for current mission construction funding and closely manage available funding to minimize mission degradation of our most critical facilities.

*Question.* The Air Force military construction request includes funding for several projects in Europe. Why should Congress invest in military construction projects in Europe before seeing the results of the European basing study?

*Answer.* The MILCON projects requested in fiscal year 2014 are in the United Kingdom and include a \$22 million Guardian Angel Operations Facility at RAF Lakenheath and a \$12 million Main Gate Complex at RAF Croughton. EUCOM/AFRICOM require an increase of USAFE Guardian Angel personnel recovery assets to fully respond to and support simultaneous contingency plans and operational requirements. The Main Gate Complex project requirement is driven by Joint Staff Integrated Vulnerability Assessment write-up, DOD2000.16, UFC 4-022-01, and Operations Order 08-01. There are no acceptable workarounds.

The fiscal year 2014 MILCON program was developed recognizing we would have a European Infrastructure Consolidation. The Air Force determined the need for these projects outweighed the risk of closure of either RAF Lakenheath or RAF

Croughton. If either of these bases is suggested for closure under the European Infrastructure Consolidation initiative we would not execute the projects.

#### BASE REALIGNMENT AND CLOSURE (BRAC)

*Question.* Currently, Air Force is embarked on a Total Force initiative, while DOD is conducting a European Basing Study. Furthermore, DOD is requesting a new BRAC round in 2015. How are all of these efforts being coordinated to ensure that they do not conflict with each other? For example, what assurance does the Air Force have that its total force realignment decisions will mesh with BRAC recommendations if another BRAC round is approved?

*Answer.* The Air Force strategic basing process provides an enterprise-wide repeatable process for decisionmaking to ensure all basing actions involving Air Force units and missions support Air Force mission requirements and comply with all applicable environmental guidance.

The strategic basing process works in concert with Total Force Integration to ensure all levels of decisionmaking are coordinated.

The Air Force believes the Total Force Integration and on-going European Infrastructure Consolidation analysis are complimentary to BRAC and the outcomes will inform the BRAC process.

If another BRAC round is authorized, all military installations will be reviewed, and all recommendations will be based on approved, published selection criteria. BRAC authorization will also require submission of a future force structure plan that incorporates previous force realignment decisions that occurred using the strategic basing process.

#### AIR FORCE COMMUNITY PARTNERSHIP INITIATIVE

*Question.* What is the current status of the Air Force Community Partnership Initiative, and how does the Air Force see this developing?

*Answer.* The Air Force is fully committed to leveraging partnerships with communities where it is mutually beneficial. This is being accomplished through the use of in-house manpower, leveraging the utilization of reservists throughout the United States, contract support, and a headquarters Air Force Task Force of subject matter experts. We currently have table top exercise processes underway that are designed to identify potential partnership at 15 locations. These locations are Altus, Beale, Buckley, Ellsworth, Hill, JB Andrews, Maxwell, Moody, Nellis, Patrick, Peterson, Robins, Seymour-Johnson, Sheppard, and Tinker Air Force Bases.

#### MINOT AIR FORCE BASE

*Question.* The fiscal year 2014 Air Force military construction request includes a project to construct a new Aircraft Maintenance Unit (AMU) facility and alter an existing AMU facility. Both AMUs would provide space to consolidate the unit support and command sections for the second B-52 squadron at Minot Air Force Base. The fiscal year 2014 budget also calls for the construction of four munitions storage igloos to accommodate the increased weaponry stored at the base with the second B-52 squadron.

Do you anticipate these projects would be affected by sequestration?

*Answer.* The Air Force has not made any specific project decisions in response to potential sequestration. The scope of any sequestration cut is not known. If the Air Force receives a sequestration cut we will at that time determine what projects will have to be deferred or canceled.

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#### QUESTIONS SUBMITTED BY SENATOR JON TESTER

##### HAYES MILITARY OPERATIONS AREA

*Question.* The Air Force has long considered the airspace near Great Falls—the Hayes Military Operations Area—an important national asset. There are few places left in the country with that amount of room to operate over land—more than 4.5 million square acres—and a lack of civilian over-flights. Concerns have been raised that the pending conversion of the Montana Air National Guard from a fighter mission to an airlift mission will leave that airspace underutilized and ultimately place it at risk.

In this context can you provide an assurance that this airspace will not be underutilized and that the Air Force will keep it in mind as it considers future requirements?

Answer. The U.S. Air Force utilizes a variety of Special Use Airspace (SUA) areas, which are delegated for military operations by the Federal Aviation Administration (FAA), to separate non-hazardous flying activities from civil aviation activities, including the Hayes Military Operations Area (MOA). Many Air Force bases have SUA areas which are designed to meet their unique training and readiness mission requirements. In response to the second part of your question, the Hayes MOA does have positive attributes which make it suitable for certain Air Force operations.

As good stewards of SUA, the Air Force must ensure the efficient and effective use of airspace granted by the FAA. If any SUA becomes underutilized due to base realignment or mission changes, etc., it is reviewed, and if determined to be excess to Air Force need, offered to the Department of Defense for another Service to assume scheduling authority to meet their requirements. If no other Department of Defense requirement is found, the SUA must be returned to the FAA for use system-wide in the U.S. National Airspace System public domain. There has been no determination made at this time regarding potential long-term usage of the Hayes MOA.

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#### QUESTIONS SUBMITTED BY SENATOR MARK KIRK

##### U.S. STRATEGIC COMMAND HEADQUARTERS

*Question.* The Air Force is requesting two hardening projects in Guam but has as of today; PACAF is still working on a Pacific Resiliency Study.

Will the PACAF Resiliency Plan be incorporated into an overall PACOM resiliency plan? If not, why not?

Before the study is complete how do we know these two hardening projects in Guam will be the top PACAF or PACOM priorities?

By getting ahead of the resiliency study is this the best use scarce funds?

Answer. Yes, any resiliency plans developed by PACAF will support an overall joint resiliency plan endorsed by PACOM. In fact, in December 2011, the commanders of both PACAF and PACFLT developed an integrated list of resiliency requirements in anticipation of an integrated PACOM resiliency plan. The commanders recommended four distinct methods of mitigating risk to include: selective hardening, redundancy, rapid repair, and dispersal. In many cases, they recommended a hybrid solution that incorporates two or more of the mitigation measures.

While the PACOM resiliency study is still on-going (to be complete mid-2013), the study assumes that the two hardened hangars on Guam will be constructed. All major stakeholders agreed on the importance of these two structures since the fiscal year 2012 President's budget submittal. In addition, these two hangars ranked within the top 10 on PACOM's joint resiliency requirements and both were within the top 5 for the Air Force. The United States has done virtually no hardening for some 30 years. Without selective hardening of key infrastructure, our commitment to overall Defense Strategy in the Asia-Pacific theater could be called into question by our partners and allies as well as our potential adversaries. Furthermore, the study will recommend several other methods of mitigating risk to include: improved indications and warning, active defense (e.g., THAAD, PAC-3), redundancy to single points of failure, enhanced rapid repair capabilities, tactical and theater-level dispersal, etc. We do not believe we are getting ahead of the resiliency study; rather, we have developed our installation investment strategy in concert with the strategy as it has matured over the past several years.

##### MILITARY CONSTRUCTION PROJECTS AT SCOTT AIR FORCE BASE

*Question.* Ms. Ferguson, Scott Air Force Base's mid-country location makes it strategically situated to be a prime location for basing the KC-46 tanker. While Scott Air Force Base had significant scoring shortfalls for the new initial basing of the new KC-46 tanker, the base had several infrastructure-related challenges such as runway strength and condition that contributed to this. I appreciate the Air Force's past investment at Scott Air Force Base and I hope we can work together to identify infrastructure needs that could enhance Scott's candidacy for future KC-46 basing rounds.

Do you have any plans or recommendations concerning operational infrastructure that would enhance Scott's ability to compete for future basing rounds?

Answer. On April 20, 2012, the Secretary of the Air Force approved KC-46A basing criteria that evaluated 54 Air Force installations' ability to support the KC-46A training requirements, available infrastructure, environmental concerns and area



construction and locality costs. Any additional infrastructure upgrades for a possible KC-46A mission would have to be part of the Air Force Strategic Basing process.

However, the Air Force is making every attempt to place our most urgent MILCON requirements in the Future Years Defense Program (FYDP). While there is obviously a need for major construction projects at Scott Air Force Base to support Scott Air Force Base's current mission, there simply is not enough funding to accommodate all of the Air Force's most urgent requirements within the current Air Force budget.

We will make every effort to consider these projects in a future President's budget request if funds are available. We look forward to your continued support for military construction projects and other critical Air Force priorities through the fiscal year 2014 budget cycle.

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QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

MINOT AIR FORCE BASE

*Question.* The fiscal year 2014 Air Force military construction request includes a project to construct a new Aircraft Maintenance Unit (AMU) facility and alter an existing AMU facility. Both AMUs would provide space to consolidate the unit support and command sections for the second B-52 squadron at Minot Air Force Base. The fiscal year 2014 budget also calls for the construction of four munitions storage igloos to accommodate the increased weaponry stored at the base with the second B-52 squadron.

*Answer.* The second B-52 squadron was activated at Minot Air Force Base in 2009.

*Question.* How many additional personnel were required to activate that squadron?

*Answer.* A total of 798 positions were added at Minot Air Force Base to activate the additional bomb squadron in order to support operations, maintenance and support.

*Question.* Where are they working without the upgraded AMU facilities in this budget request?

*Answer.* They are working in seven geographically separated flight line facilities. In one instance, a modular office space was added inside to provide working space.

*Question.* The fiscal year 2014 Air Force military construction request includes a project to construct a new Aircraft Maintenance Unit (AMU) facility and alter an existing AMU facility. Both AMUs would provide space to consolidate the unit support and command sections for the second B-52 squadron at Minot Air Force Base. The fiscal year 2014 budget also calls for the construction of four munitions storage igloos to accommodate the increased weaponry stored at the base with the second B-52 squadron.

How have we been storing weapons for the second B-52 squadron without the additional storage igloos?

*Answer.* Minot Air Force Base can currently store its War Reserve Material (WRM) allocations for both squadrons but is short space to store approximately 40 percent of required Aircrew Training Munitions levels. The four new igloos will alleviate storage shortfall to permit required training and war readiness reserve munitions required to meet OPLAN and DOC statements.

The current work around is staggering munitions deliveries throughout year based on the storage space available to sustain weapons training.

*Question.* There is also a project to replace some old fuel lines at Minot Air Force Base between now and 2016. Do you anticipate that would have any impact on B-52 operations at Minot over those years?

*Answer.* There will be no operational impact. This project replaces the line from the bulk fuel tanks to the operating storage tanks of the hydrant fuels system. The concept for replacement uses a different route for the lines, thus permitting the existing lines to be used while the new ones are being installed. There may be a short down time while the new lines are tied in, but the operating storage is sufficient to accommodate the down time. In the event the tie in takes longer than expected, truck refueling from the fuel stand at bulk fuel will be used; however, this is highly unlikely.

ENHANCED USE LEASE

*Question.* There are no military construction projects planned for Grand Forks Air Force Base in the fiscal year 2014 request, but there are a number of critical initiatives that concern the installation. Enhanced Use Lease—The proposed Enhanced

Use Lease (EUL) will bring significant investment to Grand Forks Air Force Base and provide benefits both to the local community and to the Air Force.

Can you provide an update on the Air Force's efforts to develop an EUL for Grand Forks Air Force Base?

Answer. The Air Force has received a proposal from Grand Forks County (GFC) for the possible lease and development of an Aviation Business Park on approximately 217 acres at Grand Forks Air Force Base (GRAFB). Negotiations are currently ongoing with the two sides working towards agreement on a term sheet which outlines the basic business terms of the lease. Concurrently, all necessary environmental work is being completed and GFC is working towards securing an initial tenant and the necessary financing for the first phase of development. The Air Force anticipates notifying Congress in August 2013 with a target date of October 2013 for lease signing.

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#### QUESTIONS SUBMITTED BY SENATOR MIKE JOHANNIS

##### U.S. STRATEGIC COMMAND HEADQUARTERS

*Question.* The fiscal year 2014 budget request includes \$136 million for Increment 3 of the U.S. Strategic Command headquarters replacement facility. I fully support this request and ask my colleagues to do the same. Additionally, it has come to my attention that the fiscal year 2014 request does not adequately address the fit-out or procurement funding requirements for the building. These funds were to be used to install an Uninterruptible Power Source (UPS) for the facility. I am told that if these funds are not executed in fiscal year 2014, the cost to the Government could increase by 79 percent and could delay the occupancy of the facility, at a minimum, by 7 months.

Could you detail this funding issue and the impacts that it could have on the construction of the new STRATCOM headquarters building?

Answer. This project has a 4-year construction duration, with specific portions of the project completed and turned over to the Federal Government prior to final contract completion. The first contractual Early Beneficial Occupancy Date (EBOD 1) in January 2016 requires installation of a centralized UPS system to protect equipment and circuits from damage by power surges or loss. The UPS provides back-up and conditioned power for both military construction and information technology contractors to install command and control systems, technical control facility, telecommunications rooms and data centers.

The \$136 million in the fiscal year 2014 budget provides needed funding for the military construction portion of the facility and is needed in full to meet contractual placement schedules.

Equipment fit-out is a separate fiscal year 2014 requirement to be funded from other equipment (3080) in the defense appropriations bill. In May 2012, Congress marked USSTRATCOM's fiscal year 2013 \$25 million fit-out procurement request as "early-to-need" and zeroed it out. This was done prior to contract award in August 2012. To address this, the Air Force is maintaining an fiscal year 2014 unfunded requirement for \$21.3 million to procure the UPS, which will continue to be evaluated by the Air Force Corporate Structure for funding. The least preferred alternative is to pursue funding in the Air Force Fiscal Year 2015 Program Objective Memorandum, for the reasons outlined below. Additionally, there is \$502 million in remaining requirements for equipment and furnishings currently programmed in the fiscal years 2014–2018 Future Years Defense Program.

Procurement, installation and testing of UPS equipment will take a minimum of 15 months once a contract is awarded. To meet the EBOD 1 date, award is required by June 2014. Further delay of funding to fiscal year 2015 would slip the award to May 2015, with installation occurring after much of the interior construction is complete, requiring the dismantlement/rebuilding of equipment racks, risking damaging completed interiors, and incurring significantly higher costs. This is estimated to cause an overall schedule slip of 10 months for EBOD 1, from January 2016 to November 2016, and result in up to 79 percent increased costs to the Federal Government.

QUESTIONS SUBMITTED TO BRIGADIER GENERAL JAMES WITHAM

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

HECTOR INTERNATIONAL AIRPORT

*Question.* There is a \$4.8 million military construction request for intelligence targeting facilities located at Hector International Airport in Fargo, North Dakota. It appears these funds are projected for the fiscal year 2016 budget in support of the new Cyber Targeting Group mission coming there.

Can you provide detail on what facilities are planned for that new mission?

*Answer.* The Site Activation Task Force is scheduled for the week of July 9, 2013, at which time specific details on what facilities and how they are utilized will be determined. In general, it is anticipated that existing under-utilized facilities will need to be converted and may require the use of military construction funds.

CONCLUSION OF HEARINGS

Senator JOHNSON. This hearing is recessed.

[Whereupon, at 10:38 a.m., Wednesday, May 15, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

